



# Accountability Report

Fiscal Year 2001





Stately groves of giant sequoias draw visitors to Sequoia National Park, established on September 25, 1890.

COREL CORP. PHOTO

Cover - American flags encircle the Washington Monument.

JAMES P. BLAIR/CORBIS CORP. PHOTO

# **Accountability Report**

Fiscal Year 2001

Accounting Operations Center  
Herndon, Virginia

Produced by Harpers Ferry Center  
Harpers Ferry, West Virginia

U.S. Department of the Interior  
National Park Service  
Washington, DC

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*The National Park Service cares for special places saved by the American people so that all may experience our heritage.*

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Long House Ruin is one of many Ancestral Puebloan structures preserved within Mesa Verde National Park.

NPS PHOTO

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One of America's most recognizable symbols of freedom inspires individuals beyond the park boundaries of Statue of Liberty National Monument.

COREL CORP. PHOTO

## A Message From the Director

*The places and programs entrusted to the National Park Service protect grand vistas and promote scientific inquiry; they provide spaces for respite and recreation, and places to reflect on our heritage.*



Fran P. Mainella, Director of the  
National Park Service

NPS PHOTO

I am pleased to offer the National Park Service Accountability Report for Fiscal Year 2001. The report highlights many of our recent accomplishments and points out the direction we are taking into the new year. It is an overview that fully details the breadth and complexity of National Park Service responsibilities and accomplishments.

This is a specialized document, yet it is important to share with the citizens and organizations that are interested in our work. We are pleased to be able to make it available for all.

The places and programs entrusted to the National Park Service protect grand vistas and promote scientific inquiry; they provide spaces for respite and recreation, and places to reflect on our heritage. In their diversity and nuance, these special places preserve the identity of a great nation. The many places entrusted to our care are components of a unified system, each displaying an element of our natural and human history, all linked pieces of a puzzle that assemble to reveal the grand scope of our heritage.

An accounting of our accomplishments in the fiscal year cannot fully reflect the National Park Service role since the tragedy of September 11, 2001. The pride and stability that our parks symbolize to Americans also makes them places for healing and renewal at a time when we need both very much. That role is evolving and growing in importance in the new fiscal year; it could not have been fully planned.

During the past year, we have made great strides in several areas. We have advanced on the daunting backlog of maintenance deficiencies in the parks and have fully committed to continuing that program. We have also made significant progress on the *Natural Resource Challenge* in a two-pronged effort to enhance the scope and reliability of science for the parks, even as we establish new opportunities to make properties and programs accessible platforms as parks for science.

The successful audit of the National Park Service financial records and financial system is a significant accomplishment that reflects our Servicewide commitment to management accountability, open to public review and scrutiny. Ours is a park system for the 21st century, working together for common goals, and inviting both active participation and close observation of every park and program that we manage.

I encourage everyone to read this report for a better understanding of both the goals and accomplishments of the National Park Service in the last fiscal year.

A handwritten signature in dark ink that reads "Fran P. Mainella". The signature is fluid and cursive, with a large, stylized "M" at the end.

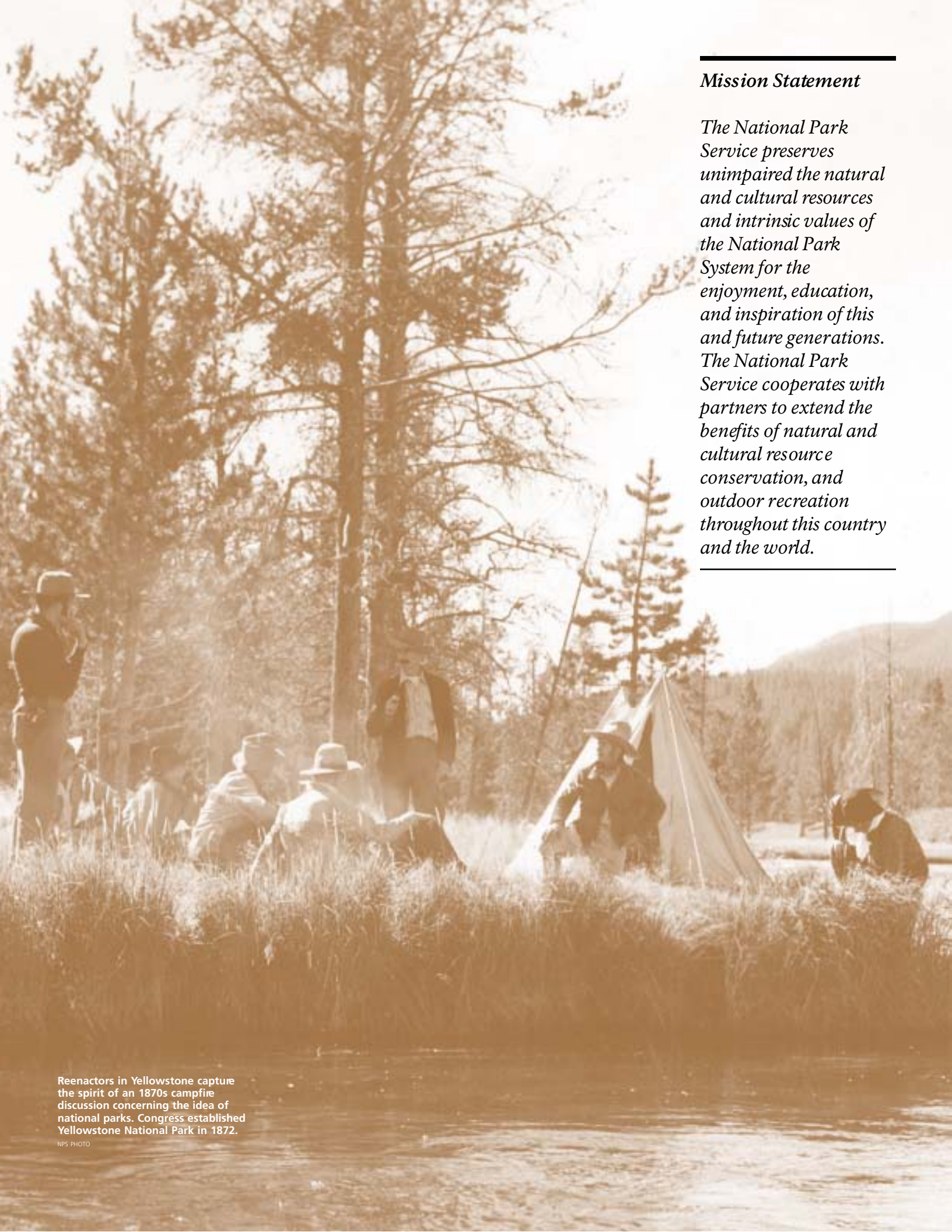
Fran P. Mainella, Director  
National Park Service

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## *Mission Statement*

*The National Park Service preserves unimpaired the natural and cultural resources and intrinsic values of the National Park System for the enjoyment, education, and inspiration of this and future generations. The National Park Service cooperates with partners to extend the benefits of natural and cultural resource conservation, and outdoor recreation throughout this country and the world.*

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Reenactors in Yellowstone capture the spirit of an 1870s campfire discussion concerning the idea of national parks. Congress established Yellowstone National Park in 1872.

NPS PHOTO

# Management Discussion and Analysis: Overview

*“The National Park Service preserves unimpaired the natural and cultural resources and intrinsic values of the National Park System for the enjoyment, education, and inspiration of this and future generations.”*

—NATIONAL PARK SERVICE ORGANIC ACT, 1916

## MISSION AND HISTORY

The Organic Act of the National Park Service states *“the Service thus established shall promote and regulate the use of Federal areas known as national parks, monuments and reservations . . . by such means and measures as conform to the fundamental purpose of the said parks, monuments and reservations, which purpose is to conserve the scenery and the natural and historic objects and the wild life therein and to provide for the enjoyment of the same in such manner and by such means as will leave them unimpaired for the enjoyment of future generations.”*

The National Park Service strives to meet those original goals while filling many roles: guardian of our diverse cultural and recreational resources, environmental advocate, world leader in the parks and preservation community, and pioneer in the drive to protect America’s open space.

Congress established Yellowstone as the first national park on March 1, 1872, in the Territories of Montana and Wyoming “as a public park or pleasuring ground for the benefit and enjoyment of the people,” and placed it “under exclusive control of the Secretary of the Interior.” This began a

worldwide national park movement. Today more than 100 nations contain some 1,200 national parks or equivalent preserves.

In the following years, Congress authorized additional national parks and monuments, most of them on western federal lands, to be administered by the Department of the Interior. Other monuments, and natural and historical areas, were established and administered by the War Department and the Department of Agriculture’s Forest Service. No single agency provided unified management of the varied federal parklands.

On August 25, 1916, President Woodrow Wilson signed the Organic Act creating the National Park Service, a new federal bureau in the Department of the Interior responsible for protecting the 40 national parks and monuments then in existence, and those yet to be established. A 1933 Executive Order transferred 63 national monuments and military sites from the Forest Service and the War Department to the National Park Service. This action was a major step in the development of today’s truly *national* system of parks—a system that includes areas of historical as well as scenic and scientific importance.

Important Dates in the History of the National Park System <sup>1</sup>	
1872	Yellowstone National Park established
1906	Antiquities Act
1916	Organic Act establishing the National Park Service
1933	Executive Order (Reorganization of the National Park Service)
1935	Historic Sites Act
1936	Park, Parkway, and Recreation Area Study Act
1964	Land and Water Conservation Fund Act Wilderness Act
1966	National Historic Preservation Act
1968	National Trails System Act Wild and Scenic Rivers Act
1970	General Authorities Act
1978	Redwoods Act
1980	Alaska National Interests Lands Conservation Act (ANILCA)

<sup>1</sup> Information for this chart was taken from the NPS web page [www.nps.gov](http://www.nps.gov) and *The National Parks: Shaping the Nation*

Congress declared in the General Authorities Act of 1970 “that the National Park System, which began with the establishment of Yellowstone National Park in 1872, has since grown to include superlative natural, historic, and recreation areas in every region . . . and that it is the purpose of this Act to include all such areas in the System.” This elaborated on the 1916 National Park Service Organic Act, saying all units of the system have equal legal standing in a national system.

Additions to the National Park System generally are made through acts of Congress, and national parks can be created only through such acts. But the President has authority, under the Antiquities Act of 1906, to proclaim national monuments on lands already under federal jurisdiction. Congress usually asks the Secretary of the Interior for recommendations on proposed additions to the National Park System. The Secretary is counseled by the National Park System Advisory Board, composed of private citizens, which advises on possible additions to the National Park System and policies for its management.

The National Park Service cooperates with partners to extend the benefits of natural and cultural resource conservation and outdoor recreation throughout this country. Through partnerships with other federal, state, and local agencies, and nonprofit organizations, a nationwide system of parks, open space, rivers, and trails provides educational, recreational, and conservation benefits for the American people.

#### SIZE AND COMPOSITION

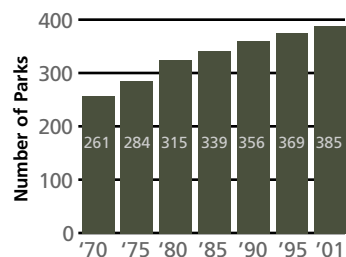
In 2001 the National Park System consisted of 385 units encompassing more than 84 million acres of land in every state except Delaware, as well as in the District of Columbia, American Samoa, Puerto Rico, and the Virgin Islands. The national significance of these areas justifies their special recognition and protection in accordance with various acts of Congress.

National Park System units bear some 20 designations. *National park* commonly identifies the largest, most spectacular natural areas. *National seashore*, *national lakeshore*, *national river*, and *national scenic trail* are self-explanatory designations.

#### National Park Service Mission Guiding Principles

Excellent Service	Providing the best possible service to park visitors and partners.
Productive Partnerships	Collaborating with federal, state, tribal, and local governments, private organizations, and businesses to work toward common goals.
Citizen Involvement	Providing opportunities for citizens to participate in the decisions and actions of the National Park Service.
Heritage Education	Educating park visitors and the general public about their history and common heritage.
Outstanding Employees	Empowering a diverse work force committed to excellence, integrity, and quality work.
Employee Development	Providing developmental opportunities and training so employees have the “tools to do the job” safely and efficiently.
Wise Decisions	Integrating social, economic, environmental, and ethical considerations into the decision-making process.
Effective Management	Instilling a performance management philosophy that fosters creativity, focuses on results, and requires accountability at all levels.
Research and Technology	Incorporating research findings and new technologies to improve work practices, products, and services.
Shared Capabilities	Sharing technical information and expertise with public and private land managers.

**National Park System Growth**



The National Park System added six units in FY 2001.

In contrast, the *national monument* title—applied to large natural areas such as Dinosaur, and small cultural sites such as the Statue of Liberty—is less descriptive. Some historic forts are national monuments, while others are *national historic sites*. Similarly, *historic battlefields* are variously identified as *national military parks*, *national battlefields*, and *national battlefield parks*, among other titles.

greater protection for the resource by limiting use or access. Where distinctions in title denote no real differences in character or management policy, the designations usually reflect changes in fashion over time. Historical areas that once would have been named national monuments, for example, more recently have been titled *national historic sites* if small, or *national historical parks*, if large.

These designations are rooted in the National Park System's legislative and administrative history. Some designations provide

#### New National Park System Units

Unit	Location	Authorization	Purpose
First Ladies National Historic Site	Canton, Ohio	106th Congress	Preserves and interprets the role of First Ladies in American history.
Governor's Island National Monument	New York City Harbor, New York	Presidential proclamation under authority of Antiquities Act	Preserves two of the finest examples of defensive structures in use until the Civil War.
Great Sand Dunes National Preserve	San Luis Valley, Colorado	106th Congress	Adjacent to Great Sand Dunes National Park, the unit consists of lands formerly administered by the U.S. Forest Service as part of the Rio Grande National Forest.
Minidoka Internment National Monument	Jerome County, Idaho	106th Congress	Tells the story of Japanese Americans interned in a "military exclusion area" during World War II.
Rosie the Riveter/ WWII Home Front National Historical Park	Richmond, California	106th Congress	Commemorates the mobilization of the work force on the home front during World War II, especially the contributions of women and minorities.
Virgin Islands Coral Reef National Monument	Submerged lands off St. John, Virgin Islands	Presidential proclamation under authority of Antiquities Act	Protects a Caribbean tropical marine ecosystem and several threatened and endangered species.

#### Changes in National Park System Unit Designations

New Park Unit Designation	Former Park Unit Designation
Great Sand Dunes National Park	Great Sand Dunes National Monument
Cuyahoga Valley National Park	Cuyahoga Valley National Recreation Area



# The National Park System





Rosie the Riveter/WWII Home Front National Historical Park commemorates the contributions of women and minorities to the country's work force during World War II.

NATIONAL ARCHIVES PHOTO

Categories of National Parks	
Designation	Description
National Park	Generally, national parks are large natural places that encompass a wide variety of attributes, sometimes including significant historic assets. Hunting, mining and consumptive activities are not authorized.
National Monument	The Antiquities Act of 1906 authorized the President to declare by public proclamation landmarks, structures, and other objects of historic or scientific interest situated on lands owned or controlled by the government to be national monuments.
National Preserve	National preserves are areas having characteristics associated with national parks, but in which Congress has permitted continued public hunting, trapping, oil/gas exploration and extraction. Many existing national preserves, without sport hunting, would qualify for national park designation.
National Historic Site	Usually, a national historic site contains a single historical feature directly associated with its subject. Derived from the Historic Sites Act of 1935, some historic sites were established by secretaries of the Interior; most have been authorized by acts of Congress.
National Historical Park	This designation generally applies to historic parks that extend beyond single properties or buildings.
National Memorial	A national memorial is commemorative of a historic person or episode; it need not occupy a site historically connected with its subject.
National Battlefield	This general title includes national battlefield, national battlefield park, national battlefield site, and national military park. In 1958, an NPS committee recommended national battlefield as the single title for all such park lands.
National Cemetery	There are presently 14 national cemeteries in the National Park System, all of which are administered in conjunction with an associated unit and are not accounted for separately.
National Recreation Area	Twelve NRAs in the National Park System are centered on large reservoirs and emphasize water-based recreation. Five other NRAs are located near major population centers. Such urban parks combine scarce open spaces with the preservation of significant historic resources and important natural areas in locations that can provide outdoor recreation for large numbers of people.
National Seashore	Ten national seashores are established on the Atlantic, Gulf, and Pacific coasts; some are developed and some relatively primitive. Hunting is allowed at many of these sites.
National Lakeshore	National lakeshores, all on the Great Lakes, closely parallel the seashores in character and use.
National River	There are several variations to this category: national river and recreation area, national scenic river, wild river, etc. The first was authorized in 1964, and others were established following passage of the Wild and Scenic Rivers Act of 1968.
National Parkway	The title parkway refers to a roadway and the parkland paralleling the roadway. All were intended for scenic motoring along a protected corridor and often connect cultural sites.
National Trail	National scenic trails and national historic trails are the titles given to these linear parklands (over 3,600 miles) authorized under the National Trails System Act of 1968.
Affiliated Areas	In an Act of August 18, 1970, the National Park System was defined in law as, "any area of land and water now or hereafter administered by the Secretary of the Interior through the National Park Service for park, monument, historic, parkway, recreational or other purposes." The affiliated areas comprise a variety of locations in the United States and Canada that preserve significant properties outside the National Park System. Some of these have been recognized by acts of Congress, others have been designated national historic sites by the Secretary of the Interior under authority of the Historic Sites Act of 1935. All draw on technical or financial aid from the National Park Service.
Other Designations	Some National Park System units bear unique titles or combinations of titles, such as the White House, President's Park, Prince William Forest Park, and Wolf Trap Farm Park.

## National Park System Units by Region

### ALASKA REGION

1. Alagnak Wild River	7. Denali NPRES	13. Katmai NPRES	19. Noatak NPRES
2. Aniakchak NM	8. Gates of the Arctic NP	14. Kenai Fjords NP	20. Sitka NHP
3. Aniakchak NPRES	9. Gates of the Arctic NPRES	15. Klondike Gold Rush NHP	21. Wrangell-Saint Elias NP
4. Bering Land Bridge NPRES	10. Glacier Bay NP	16. Kobuk Valley NP	22. Wrangell-Saint Elias NPRES
5. Cape Krusenstern NM	11. Glacier Bay NPRES	17. Lake Clark NP	23. Yukon-Charley Rivers NPRES
6. Denali NP	12. Katmai NP	18. Lake Clark NPRES	

### INTERMOUNTAIN REGION

24. Alibates Flint Quarries NM	44. Chickasaw NRA	65. Grant-Kohrs Ranch NHS	85. Petrified Forest NP
25. Amistad NRA	45. Chiricahua NM	66. Great Sand Dunes NP	86. Petroglyph NM
26. Arches NP	46. Colorado NM	67. Great Sand Dunes NPRES	87. Pipe Spring NM
27. Aztec Ruins NM	47. Coronado NMem	68. Guadalupe Mountains NP	88. Rainbow Bridge NM
28. Bandelier NM	48. Curecanti NRA	69. Hohokam Pima NM	89. Rio Grande Wild & Scenic River
29. Bent's Old Fort NHS	49. Devils Tower NM	70. Hovenweep NM	90. Rocky Mountain NP
30. Big Bend NP	50. Dinosaur NM	71. Hubbell Trading Post NHS	91. Saguaro NP
31. Big Thicket NPRES	51. El Malpais NM	72. John D Rockefeller Jr. Memorial Parkway	92. Salinas Pueblo Missions NM
32. Bighorn Canyon NRA	52. El Morro NM	73. Lake Meredith NRA	93. San Antonio Missions NHP
33. Black Canyon of the Gunnison NP	53. Florissant Fossil Beds NM	74. Little Bighorn NM	94. Sunset Crater NM
34. Bryce Canyon NP	54. Fort Bowie NHS	75. Lyndon B Johnson NHP	95. Timpanogos Cave NM
35. Canyon de Chelly NM	55. Fort Davis NHS	76. Mesa Verde NP	96. Tonto NM
36. Canyonlands NP	56. Fort Laramie NHS	77. Montezuma Castle NM	97. Tumacacori NHP
37. Capitol Reef NP	57. Fort Union NM	78. Natural Bridges NM	98. Tuzigoot NM
38. Capulin Volcano NM	58. Fossil Butte NM	79. Navajo NM	99. Walnut Canyon NM
39. Carlsbad Caverns NP	59. Gila Cliff Dwellings NM	80. Oklahoma City NMem	100. Washita Battlefield NHS
40. Casa Grande Ruins NM	60. Glacier NP	81. Organ Pipe Cactus NM	101. White Sands NM
41. Cedar Breaks NM	61. Glen Canyon NRA	82. Padre Island NS	102. Wupatki NM
42. Chaco Culture NHP	62. Golden Spike NHS	83. Palo Alto Battlefield NHS	103. Yellowstone NP
43. Chamizal NMem	63. Grand Canyon NP	84. Pecos NHP	104. Yucca House NM
	64. Grand Teton NP		105. Zion NP

### MIDWEST REGION

106. Agate Fossil Beds NM	121. George Washington Carver NM	134. Knife River Indian Village NHS	145. Pea Ridge NMP
107. Apostle Islands NL	122. Grand Portage NM	135. Lincoln Boyhood NMem	146. Perry's Victory & International Peace Memorial
108. Arkansas Post NMem	123. Harry S Truman NHS	136. Lincoln Home NHS	147. Pictured Rocks NL
109. Badlands NP	124. Herbert Hoover NHS	137. Little Rock Central High School NHS	148. Pipestone NM
110. Brown v. Board of Education NHS	125. Homestead National Monument of America	138. Minuteman Missile NHS	149. Saint Croix NSR
111. Buffalo NR	126. Hopewell Culture NHP	139. Mississippi National River & Rec Area	150. Scotts Bluff NM
112. Cuyahoga Valley NP	127. Hot Springs NP	140. Missouri National Rec River	151. Sleeping Bear Dunes NL
113. Dayton Aviation NHP	128. Indiana Dunes NL	141. Mount Rushmore NMem	152. Tallgrass Prairie NPRES
114. Effigy Mounds NM	129. Isle Royale NP	142. Nicodemus NHS	153. Theodore Roosevelt NP
115. First Ladies NHS	130. James A Garfield NHS	143. Niobrara National Scenic Riverway	154. Ulysses S Grant NHS
116. Fort Larned NHS	131. Jefferson National Expansion Memorial	144. Ozark National Scenic Riverways	155. Voyageurs NP
117. Fort Scott NHS	132. Jewel Cave NM		156. William Howard Taft NHS
118. Fort Smith NHS	133. Keweenaw NHP		157. Wilson's Creek NB
119. Fort Union Trading Post NHS			158. Wind Cave NP
120. George Rogers Clark NHP			

### NATIONAL CAPITOL REGION

159. Antietam NB	168. Frederick Douglass NHS	176. Mary McLeod Bethune Council House NHS	185. Theodore Roosevelt Island
160. Arlington House	169. George Washington Memorial Parkway	177. Monocacy NB	186. Thomas Jefferson Memorial
161. Catoctin Mountain Park	170. Greenbelt Park	178. National Capital Parks (Central & East)	187. Vietnam Veterans Memorial
162. Chesapeake & Ohio Canal NHP	171. Harpers Ferry NHP	179. National Mall	188. Washington Monument
163. Clara Barton NHS	172. Korean War Veterans Memorial	180. Pennsylvania Avenue NHS	189. White House
164. Constitution Gardens	173. Lyndon B. Johnson Memorial Grove on the Potomac	181. Piscataway Park	190. Wolf Trap Farm Park
165. Ford's Theatre NHS	174. Lincoln Memorial	182. Potomac Heritage NST	
166. Fort Washington Park	175. Manassas NBP	183. Prince William Forest Park	
167. Franklin D. Roosevelt Memorial		184. Rock Creek Park	

(See next page for NPS site designation abbreviations)

## National Park System Units by Region

### NORTHEAST REGION

191. Acadia NP	211. Fire Island NS	228. Hopewell Furnace NHS	248. Salem Maritime NHS
192. Adams NHP	212. Fort McHenry NM & Historic Shrine	229. Independence NHP	249. Saratoga NHP
193. Allegheny Portage RR NHS	213. Fort Necessity NB	230. John F Kennedy NHS	250. Saugus Iron Works NHS
194. Appomattox Court House NHP	214. Fort Stanwix NM	231. Johnstown Flood NMem	251. Shenandoah NP
195. Assateague Island NS	215. Frederick Law Olmsted NHS	232. Longfellow NHS	252. Springfield Armory NHS
196. Bluestone NSR	216. Fredericksburg/Spotsylvania Battlefield Mem	233. Lowell NHP	253. Statue of Liberty NM
197. Booker T Washington NM	217. Friendship Hill NHS	234. Maggie L Walker NHS	254. Steamtown NHS
198. Boston African American NHS	218. Gateway NRA	235. Marsh-Billings-Rockefeller NHP	255. Thaddeus Kosciuszko NMem
199. Boston NHP	219. Gauley River NRA	236. Martin Van Buren NHS	256. Theodore Roosevelt Birthplace NHS
200. Boston Harbor Islands NRA	220. General Grant NMem	237. Minute Man NHP	257. Theodore Roosevelt Inaugural NHS
201. Cape Cod NS	221. George Washington Birthplace NM	238. Morristown NHP	258. Thomas Stone NHS
202. Castle Clinton NM	222. Gettysburg NMP	239. New Bedford Whaling NHP	259. Upper Delaware Scenic & Recreational River
203. Colonial NHP	223. Governor's Island NM	240. New River Gorge NR	260. Valley Forge NHP
204. Delaware NSR	224. Great Egg Harbor Scenic and Recreational River	241. Petersburg NB	261. Vanderbilt Mansion NHS
205. Delaware Water Gap NRA	225. Hamilton Grange NMem	242. Richmond NBP	262. Weir Farm NHS
206. Edgar Allan Poe NHS	226. Hampton NHS	243. Roger Williams NMem	263. Women's Rights NHP
207. Edison NHS	227. Home of FD Roosevelt NHS	244. Sagamore Hill NHS	
208. Eisenhower NHS		245. Saint Croix Island IHS	
209. Eleanor Roosevelt NHS		246. Saint Paul's Church NHS	
210. Federal Hall NMem		247. Saint-Gaudens NHS	

### PACIFIC WEST REGION

264. Big Hole NB	279. Hagerman Fossil Beds NM	294. Minidoka Internment NM	308. Rosie the Riveter/ WWII Home Front NHP
265. Cabrillo NM	280. Haleakala NP	295. Mojave NPres	309. Ross Lake NRA
266. Channel Islands NP	281. Hawaii Volcanoes NP	296. Mount Rainier NP	310. San Francisco Maritime NHP
267. City of Rocks National Reserve	282. John Day Fossil Beds NM	297. Muir Woods NM	311. San Juan Island NHP
268. Crater Lake NP	283. John Muir NHS	298. National Park of American Samoa	312. Santa Monica Mountains NRA
269. Craters of the Moon NM	284. Joshua Tree NP	299. Nez Perce NHP	313. Sequoia NP
270. Death Valley NP	285. Kalaupapa NHP	300. North Cascades NP	314. U.S.S. Arizona Memorial
271. Devils Postpile NM	286. Kaloko-Honokohau NHP	301. Olympic NP	315. War in the Pacific NHP
272. Ebey's Landing NH Reserve	287. Kings Canyon NP	302. Oregon Caves NM	316. Whiskeytown-Shasta-Trinity NRA
273. Eugene O'Neill NHS	288. Lake Chelan NRA	303. Pinnacles NM	317. Whitman Mission NHS
274. Fort Clatsop NMem	289. Lake Mead NRA	304. Point Reyes NS	318. Yosemite NP
275. Fort Point NHS	290. Lake Roosevelt NRA	305. Pu'uhonua o Honaunau NHP	
276. Fort Vancouver NHS	291. Lassen Volcanic NP	306. Puukohola Heiau NHS	
277. Golden Gate NRA	292. Lava Beds NM	307. Redwood NP	
278. Great Basin NP	293. Manzanar NHS		

### SOUTHEAST REGION

319. Abraham Lincoln Birthplace NHS	335. Chattahoochee River NRA	352. Great Smoky Mountains NP	369. Obed Wild & Scenic River
320. Andersonville NHS	336. Chickamauga and Chattanooga NMP	353. Guilford Courthouse NMP	370. Ocmulgee NM
321. Andrew Johnson NHS	337. Christiansted NHS	354. Gulf Islands NS	371. Poverty Point NM
322. Big Cypress NPres	338. Congaree Swamp NM	355. Horseshoe Bend NMP	372. Russell Cave NM
323. Big South Fork National River & Rec Area	339. Cowpens NB	356. Jean Lafitte NHP & Pres	373. Salt River Bay NHP & Ecological Preserve
324. Biscayne NP	340. Cumberland Gap NHP	357. Jimmy Carter NHS	374. San Juan NHS
325. Blue Ridge Parkway	341. Cumberland Island NS	358. Kennesaw Mountain NBP	375. Shiloh NMP
326. Brices Crossroads NBS	342. De Soto NMem	359. Kings Mountain NMP	376. Stones River NB
327. Buck Island Reef NM	343. Dry Tortugas NP	360. Little River Canyon National Preserve	377. Timucuan Ecological & Historic Preserve
328. Canaveral NS	344. Everglades NP	361. Mammoth Cave NP	378. Tupelo NB
329. Cane River Creole NHP	345. Fort Caroline NMem	362. Martin Luther King, Jr. NHS	379. Tuskegee Airmen NHS
330. Cape Hatteras NS	346. Fort Donelson NB	363. Moores Creek NB	380. Tuskegee Institute NHS
331. Cape Lookout NS	347. Fort Frederica NM	364. Natchez NHP	381. Vicksburg NMP
332. Carl Sandburg Home NHS	348. Fort Matanzas NM	365. Natchez Trace NST	382. Virgin Islands Coral Reef NM
333. Castillo de San Marcos NM	349. Fort Pulaski NM	366. Natchez Trace Pkwy	383. Virgin Islands NP
334. Charles Pickney NHS	350. Fort Raleigh NHS	367. New Orleans Jazz NHP	384. Wright Brothers NM
	351. Fort Sumter NM	368. Ninety Six NHS	

### WASHINGTON OFFICE

385. Appalachian NST	IHS NB NBP NBS NHP NHS NHT	Intemational Historic Site National Battlefield National Battlefield Park National Battlefield Site National Historical Park National Historic Site National Historic Trail	NL NM NMem NMP NP NPres NR	National Lakeshore National Monument National Memorial National Military Park National Park National Preserve National River	NRA NS NSR NST NW&SR	National Recreational Area National Seashore National Scenic River National Scenic Trail National Wild and Scenic River
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## STRATEGIC GOALS AND RESULTS

The Government Performance and Results Act (GPRA)<sup>1</sup> requires the National Park Service to have a strategic plan that includes a comprehensive statement of mission, as well as outcome related goals and objectives to fulfill that mission. In FY 2000 the NPS updated its Strategic Plan to cover the years 2001-2005. National Park Service annual goals are published in the Annual Performance Plan. Agency accomplishments are published in the Annual Performance Report.

As articulated in the Strategic Plan, the mission goals of the NPS fall into three mission-related categories: (1) preserve park resources, (2) provide for the public enjoyment and visitor experience of parks, and (3) strengthen and preserve natural and cultural resources, and enhance recreational opportunities managed by partners. Within the three mission-related categories, four annual performance goals were selected to highlight the NPS accomplishments for FY 2001.

### I. Preserve Park Resources

This goal category marks NPS commitment that natural and cultural resources and associated values are preserved, restored, and maintained in good condition, as well as managed within their broader ecosystem and cultural context. Goals in this category relate to the Department of the Interior's Goal 1: *Protect the Environment and Preserve Our Nation's Natural and Cultural Resources*. This goal category includes the concepts of biological and cultural diversity. Long-term goals include the preservation, restoration, or maintenance of ecosystems, rare plant and animal populations, archeological and ethnographic resources, world heritage sites, historic structures and objects, research collections, cultural traditions, and subsistence activities relevant to the purpose and/or significance of the site.

In addition to the goals that deal directly with preserving the resource, this goal category also includes goals supporting National Park Service contributions to scholarly and scientific research. The National Park Service has fundamental information requirements to support sound decisions about managing natural and cultural resources within the National Park System.

Two performance goals were selected to highlight the accomplishments in preserving natural and cultural resources.

**Disturbed Lands/Exotic Species:** *Long-term goal: By September 30, 2005, 10.1 percent of targeted parklands, disturbed by development or agriculture as of 1999 (22,500 of 222,300 acres) are restored; and exotic vegetation on 6.3 percent of targeted acres of parkland (167,500 of 2,656,700) acres is contained.*

This goal addresses resource conditions in parks. Activities to meet this goal include restoration of lands impacted by former uses and containment of invasive plant species. Disturbed lands are those parklands where the natural processes were impacted by development, such as roads and mines, and by invasive alien plant species.

*FY 2001 Annual Goal: By September 30, 2001, 2.0 percent (4,500 acres) of targeted parklands, disturbed by development or agriculture, as of 1999, are restored; and exotic vegetation on 1.3 percent (33,500) of targeted acres of parkland is contained.*

The National Park Service projected that it would restore 2 percent of the 222,300 acres of lands disturbed from earlier development, or nearly 4,500 acres. Actual accomplishment is 7,500 acres of disturbed lands restored, or 160 percent of the projection. The NPS also projected that it would restore 1.3 percent of nearly 2,656,700 acres of lands impacted by exotic species. Actual accomplishment is 33,300 acres of exotic species impacted acres restored, or 100 percent of the projection.

**Historic Structures:** *Long-term goal: By September 30, 2005, 50 percent of the historic structures on the current List of Classified Structures are in good condition.*

The objective of this goal is to increase the number of structures listed on the 1998 List of Classified Structures (LCS) that are in "good" condition.

*FY 2001 Annual Goal: By September 30, 2001, 45 percent (11,700 of 26,233) of historic structures on the current List of Classified Structures are in good condition.*

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<sup>1</sup> GPRA was passed in 1993 to improve operational efficiency and effectiveness by requiring agencies to define their mission goals and identify long- and short-term program goals through strategic planning, and to measure and evaluate program accomplishments through annual performance reports to the American people.

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In 2001 the NPS did not meet its goal. It improved the condition of 411 structures, bringing the number of structures on the LCS in good condition to 11,535 of an increased base of 26,233 LCS structures, or 44 percent (98 percent of projection).

## **II. Provide for the Public Enjoyment and Visitor Experience of Parks**

The objectives in this goal category are inclusive of the mandate in the NPS Organic Act (1916) “. . . to provide for the enjoyment of the (resources) in such manner and by such means as will leave them unimpaired for the enjoyment of future generations.” The goal category includes all NPS goals for visitor satisfaction, enjoyment, safety, appreciation, and understanding. These goals relate to the Department of the Interior’s Goal 2: *Provide Recreation for America*.

These goals cover the broad range of visitor experiences in the parks. Enjoyment of the parks and their resources is a fundamental part of the visitor experience. Visitor enjoyment and safety are affected by the quality of park programs, facilities and services, whether provided by the NPS, a concessioner, or a contractor.

Visitors’ park experiences grow from enjoying the park and its resources to understanding why the park exists and the significance of those resources. Satisfactory visitor experiences build public support for preserving this country’s heritage and help develop a better understanding of the diversity of experiences and peoples that built a nation.

Serving the visitors requires that the NPS maintain a physical inventory containing approximately 16,000 permanent structures (buildings), 8,000 miles of roads, 1,500 bridges and tunnels, 5,000 housing units, approximately 1,500 water and wastewater systems, 200 radio systems, over 400 dams, and more than 200 solid waste operations. These facilities must be maintained at an operational level that ensures safe use by the visitor and continued protection, preservation, and serviceability of the facilities.

One performance goal was selected to represent the accomplishments in serving the visitor.

**Visitor Satisfaction:** *Long-term goal: By September 30, 2005, 95 percent of park visitors are satisfied with appropriate park facilities, services, and recreational opportunities.*

This goal addresses visitor satisfaction. While many factors affect visitor use and enjoyment, this goal focuses on providing the facilities, services, and recreational opportunities for visitor use, comfort, and enjoyment. Servicewide baseline and performance information is derived from the Visitor Services Project annual surveys. Facilities, services, and recreational opportunities identified by visitors as “good” and “very good” define “satisfied.”

*FY 2001 Annual Goal: By September 30, 2001, maintain 95 percent of park visitors satisfied with appropriate park facilities, services, and recreational opportunities.*

The NPS met its projected results for annual surveys of visitor satisfaction for a 95 percent satisfaction rate Servicewide.

## **III. Strengthen and Preserve Natural and Cultural Resources, and Enhance Recreational Opportunities Managed by Partners**

This goal category focuses on the many partnership programs legislated under the National Historic Preservation Act, the Historic Sites Act, the Land and Water Conservation Fund Act, the Wild and Scenic Rivers Act, and others. Natural and cultural resources include properties listed on the National Register of Historic Places, wild and scenic rivers, national trails, national landmarks, and heritage and recreation areas.

These goals address the results of a broad range of programs that assist others to preserve our natural and cultural, and recreational resources. These programs encompass formal partnership programs with more than 60 other federal agencies, 59 states and territories, more than 1,000 local governments, more than 300 Indian tribes, foreign governments, private organizations, friends groups, academic institutions, and the general public. These goals include increasing the number of significant historic, archeological, and natural properties protected and improving customer satisfaction with NPS technical assistance.

Some goals relate only to recreational opportunities external to the National Park System through the provision of conservation assistance for adding miles of trails and rivers, and acres of parks and open space, to meet America's outdoor recreation needs, and through improving community satisfaction with NPS partnership assistance.

In addition to assisting others develop recreational resources, the NPS also ensures that transferred federal lands or land purchased by federal dollars for recreational purposes continue to serve their role for

improving the recreational opportunities available. One performance goal was selected to represent the accomplishments in this goal category.

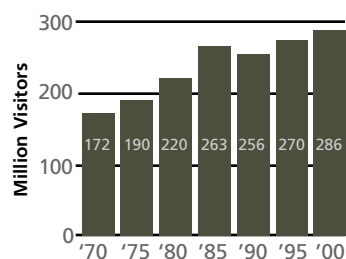
**Conservation Assistance: Long-term goal:** *By September 30, 2005, an additional 6,800 miles of trails, an additional 6,600 miles of protected river corridors, and an additional 1,072,900 acres of parks and open space, from 1997 totals, are conserved with NPS partnership assistance.*

This goal tracks results of NPS technical assistance to states, communities, and non-

#### National Park Service Government Performance and Results Act Accomplishments - Selected Performance Measures

NPS 2001 Performance						
Department of the Interior Goal	NPS GPRA Goal Category	NPS Performance Measure		Goal by 9/30/01	Achievement	Percent of Goal
Protect the Environment and Preserve Our Nation's Natural and Cultural Resources	Preserve Park Resources	Ia. Natural and cultural resources and associated values are protected, restored, and maintained in good condition and managed within their broader ecosystem and cultural context.				
		Ia1. Disturbed Lands	A) Targeted disturbed parklands, as of 1999, restored.	2%	3%	160%
		Restoration/Containment	B) Exotic species impacted acres contained.	1.3%	1.3%	100%
		Ia5. Historic Structures	Historic structures on the 1999 List of Classified Structures in good condition.	45%	44%	98%
Provide Recreation for America	Provide for Public Enjoyment and Visitor Experience of Parks	IIa. Visitors safely enjoy and are satisfied with the availability, accessibility, diversity, and quality of park facilities, services, and recreational opportunities.				
		IIa1. Visitor Satisfaction	Park visitors satisfied with appropriate park facilities, services, and recreational opportunities.	95%	95%	100%
	Benefit from Partnerships	IIIb. Through partnerships with other federal, state, and local agencies and nonprofit organizations, a nationwide system of parks, open space, rivers, and trails provides educational, recreational, and conservation benefits for the American people.				
		IIIb1. Conservation Assistance	Additional trails, river corridors, and park and open space are conserved with NPS partnership assistance.			
			1) Miles of trails:	4,800	6,465	135%
			2) Linear miles of protected river corridor:	2,850	3,172	111%
	3) Acres of park and open space:	691,900	726,900	105%		

## Recreational Visits Per Year



A trend toward increased visitation continues.

profit organizations to protect additional resources and to provide increased local recreational opportunities.

*FY 2001 Annual Goal: By September 30, 2001, an additional 4,800 miles of trails, an additional 2,850 miles of protected river corridor, and an additional 691,900 acres of park and open space, from the 1997 totals, are conserved with NPS partnership assistance. This supplements state conservation and restoration needs.*

The National Park Service exceeded this goal. Based on information provided by state and local partners, nearly 6,465 acres of trails were added (135 percent of projection), 3,172 linear miles of river corridor

were added (111 percent of projection), and 726,900 acres of park and open space were added (105 percent of projection).

## VISITATION

Visitation continues to reach historic highs. Visitation in 2000, the latest year for which data is available, reached over 286 million, a slight decrease from 1999 visitation. The National Park Service has witnessed a significant growth in visitation over the course of its history, most recently during the 1980s, when visitation first climbed to over 250 million visitors per year.

Parks with the highest individual visitation totals are parkways and recreational areas near major urban areas, but other types of

## Top 25 Visited Units in the National Park System, 2000

Type of Park Unit	Park	Location	Visitation
National Recreation Areas	Golden Gate NRA	CA	14,486,065
	Lake Mead NRA	AZ/NV	8,755,005
	Gateway NRA	NY/NJ	7,927,567
	Delaware Water Gap NRA	NJ/PA	4,900,745
	Cuyahoga Valley NRA	OH	3,324,918
National Parks Featuring Outstanding Natural Values	Great Smoky Mountains NP	NC/TN	10,175,812
	Grand Canyon NP	AZ	4,460,228
	Yosemite NP	CA	3,400,903
	Olympic NP	WA	3,327,722
	Rocky Mountain NP	CO	3,185,392
National Historical Parks and Memorials Preserving Important Cultural Values	Jefferson National Expansion Memorial ("Gateway Arch" in St. Louis)	MO	3,458,956
	San Francisco Maritime NHP	CA	3,433,066
	Independence NHP	PA	3,179,157
	Colonial NHP	VA	3,153,600
	Chesapeake & Ohio Canal NHP	DC/MD/ WV	3,115,654
Memorials on the National Mall	Lincoln Memorial	DC	4,009,145
	Vietnam Veterans Memorial	DC	3,782,445
	Korean War Veterans Memorial	DC	2,923,716
National Parkways	Blue Ridge Parkway	NC/VA	19,153,081
	George Washington Memorial Parkway	VA	7,897,161
	Natchez Trace Parkway	AL/MS/TN	5,737,183
National Seashores	Gulf Islands National Seashore	FL/MS	4,590,595
	Cape Cod National Seashore	MA	4,581,169
Statue of Liberty Complex	Statue of Liberty NM and Ellis Island	NJ/NY	5,509,706
	Castle Clinton NM	NY	4,588,273

## 2000 NPS Visitation Statistics

Annual Visitation	No. Parks
1 million or more	76
Between 1 million & 100,000	145
Less than 100,000	103
Less than 10,000	20
Do not report visitation	35
<b>TOTAL PARKS IN 2000</b>	<b>379</b>

parks are also popular destinations. The top 25 visited units account for 50 percent of all visitation. Among the top 25 visited units are national recreation areas, national parks that feature outstanding natural values, sites that preserve values important to our cultural history, memorials on the National Mall in Washington, D.C., scenic parkways, national seashores, and the Statue of Liberty complex.

Park visitation varies enormously from park to park. For example, Blue Ridge Parkway welcomes 19 million visitors per year, while New Orleans Jazz National Historical Park receives almost 17,000 visitors. The size, nature, location, and age of each park account for the variation in park visi-

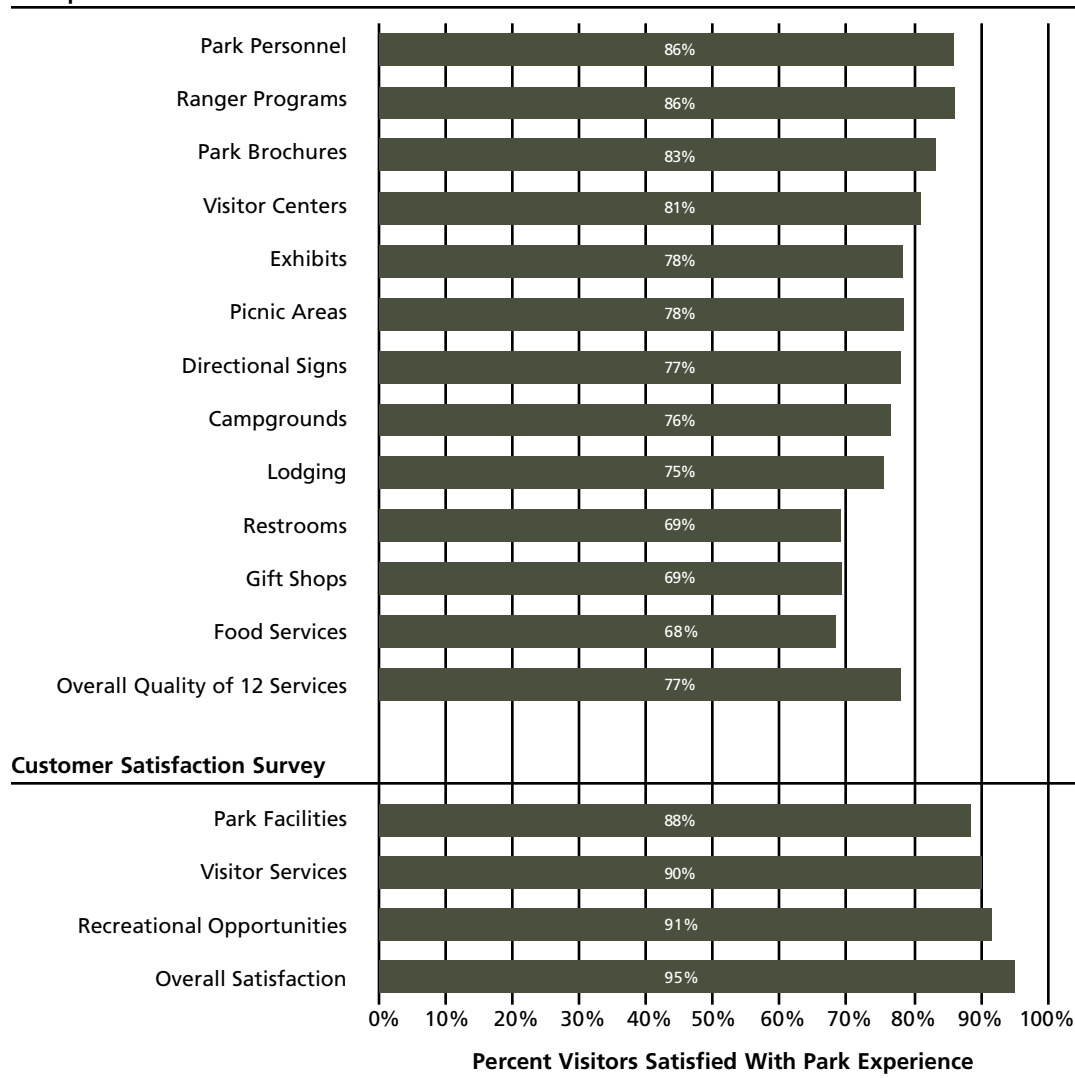
tation. These factors also dictate budget levels, management policy, and visitor services. View the NPS Public Use Statistics website at [www2.nature.nps.gov/stats](http://www2.nature.nps.gov/stats) for more information about park visitation.

## VISITOR SERVICES

Visitors are an integral part of the National Park System. National parks are established to encourage and service visitation, and conversely, visitation drives many of the services that are made available in the different parks. The increasing visitation to the National Park System is making it more difficult for the NPS to fulfill its dual mission to provide for the enjoyment of national parks while conserving resources for future generations. Concern over rising

## Selected NPS Visitor Satisfaction Measures

### In-Depth Visitor Studies



## Where To Write In Your Region

### ALASKA REGION

Regional Director  
National Park Service  
2525 Gambell St. RM 107  
Anchorage, AK 99503  
(907) 257-2687

### INTERMOUNTAIN REGION

Regional Director  
National Park Service  
12795 Alameda Pkwy  
Denver, CO 80225  
(303) 969-2500

### MIDWEST REGION

Regional Director  
National Park Service  
1709 Jackson St.  
Omaha, NE 68102  
(402) 221-3471

### NATIONAL CAPITAL REGION

Regional Director  
National Park Service  
1100 Ohio Dr, SW  
Washington D.C. 20242  
(202) 619-7256

### NORTHEAST REGION

Regional Director  
National Park Service  
U.S. Custom House  
200 Chestnut St.,  
Fifth Floor  
Philadelphia, PA 19106  
(215) 597-7013

### PACIFIC WEST REGION

Regional Director  
National Park Service  
One Jackson Center  
1111 Jackson Street, Suite 700  
Oakland, CA 94607  
(510) 817-1300

### SOUTHEAST REGION

Regional Director  
National Park Service  
100 Alabama St. SW  
1924 Building  
Atlanta, GA 30303  
(404)562-3100

visitation in parks and accompanying impacts on resources has led the NPS to focus on the concept of carrying capacity and its implication for visitor use management. The concept of carrying capacity is intended to safeguard the quality of both the park resources and the visitor experience.

In meeting the growing demands of visitation, the NPS has increased efforts to educate visitors while continuing to maintain the parks. A primary goal is to help visitors realize their individual connections to park resources. The National Park Service has also redoubled its efforts to educate young people and other individuals not traditionally active in national parks. Through a variety of outreach, research, and education programs, the National Park Service will strengthen the connection between all visitors and the parks.

## CUSTOMER SATISFACTION

Internal studies show that visitors continue to be satisfied with the quality of services in the National Park System. Satisfied visitors are those that rank services as either good or very good. In-depth visitor studies at a sample of park units indicate that visitors experience the highest satisfaction ratings with ranger programs and contacts with

park personnel, both rating 86 percent satisfaction. Satisfaction ratings were progressively lower for brochures, visitor centers, exhibits, picnic areas, directional signs, campgrounds, lodging, restrooms, gift shops, and food services, but no service rated lower than 68 percent satisfaction. The combined overall rating for the quality of 12 services is 77 percent, the same as the previous year.

A customer satisfaction survey at all National Park System units rates visitor satisfaction in three general categories: park facilities, visitor services, and recreational opportunities. Although based primarily on ratings of the same services analyzed in the in-depth studies, visitor satisfaction ratings from the comprehensive survey are generally higher than in the in-depth studies. Satisfaction ratings from the survey range from 88 percent to 91 percent. The overall satisfaction rating is a separate question, rather than a combination of all the other ratings. In the survey, overall visitor satisfaction reaches 95 percent, meeting the goal established by the NPS to achieve 95 percent customer satisfaction. This measure is used as the primary measure of visitor satisfaction for GPRA purposes.

## National Park Service Regions

Regions	State Locations of NPS Units
Alaska	Alaska
Intermountain	Arizona, Colorado, Montana, New Mexico, Oklahoma, Texas, Utah, and Wyoming
Midwest	Arkansas, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Montana, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin
National Capital	District of Columbia, Maryland, Pennsylvania, Virginia, and West Virginia
Northeast	Connecticut, Massachusetts, Maryland, Maine, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Virginia, Vermont, and West Virginia
Pacific West	California, Idaho, Montana, Nevada, Oregon, Washington, and the islands of Guam, Hawaii and Samoa
Southeast	Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, Puerto Rico, and the Virgin Islands

## ORGANIZATIONAL STRUCTURE

The National Park Service is a bureau within the Department of the Interior. The National Park Service is administered by a Director (a position which requires Senate confirmation) who reports to the Secretary of the Interior. The Director is assisted by two Deputy Directors and an Assistant Director of External Affairs in charge of offices for Legislative and Congressional Affairs, Office of Communications, and Tourism. There are also offices of International Affairs, Equal Opportunity, Policy, Strategic Planning, and American Indian Liaison.

Servicewide programs and grant programs for entities outside of the National Park Service are administered through five Associate Directors. There are Associate Directors for Park Operations and Education, Administration, and Professional Services. Two Associate Directors administer Resource Stewardship in the National Park System, with responsibilities delineated along “cultural” and “natural” resources.

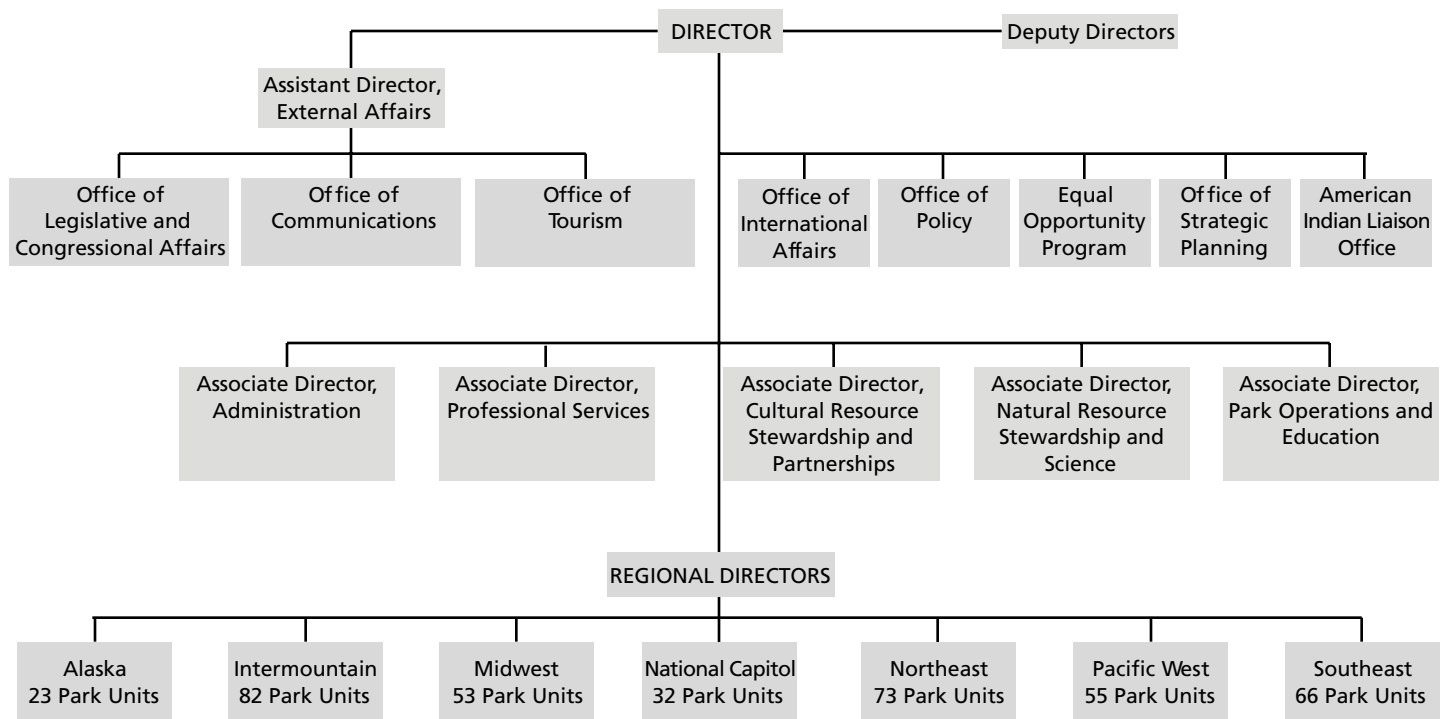
The National Park System is organized into seven regions: Alaska, Intermountain, Midwest, National Capital, Northeast, Pacific West, and Southeast. A Regional Director, who provides line supervision for all park superintendents within the region, heads each.

There also are 10 support offices distributed among the regions. The National Leadership Council (NLC), composed of the Director, two Deputy Directors, five Associate Directors, and the seven Regional Directors, sets policy and the overall direction for the National Park Service. The NLC forms the executive decision-making group involving the NPS as a whole.

## STAFFING

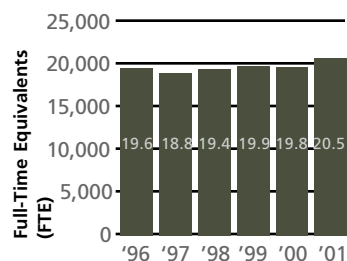
In FY 2001 the National Park Service used 20,477 full-time equivalents (FTE), a 3.4 percent increase from the previous fiscal year. The FTE count equates to an on-board strength of about 25,000 employees during the summer months when visitation is at its peak.

FY 2001 Organization of the National Park Service



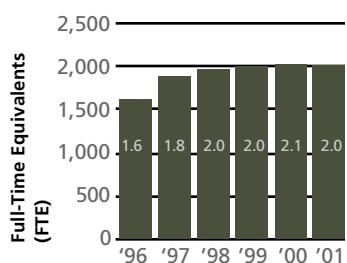
Count of parks does not include the Appalachian NST administered by the Washington Office.

### NPS Full Time Equivalent Employment History



The National Park System used 20,477 full-time equivalents in Fiscal Year 2001.

### NPS Volunteers-in-Parks Time Volunteered



Volunteers contributed an equivalent of 2,048 full-time equivalents in Fiscal Year 2001.

Diverse professionals are required to operate the National Park System. The visiting public observes NPS employees giving interpretive talks, directing traffic, or collecting entrance fees. Historians, botanists, museum curators, sewage plant workers, trail maintenance crews, information technology specialists, office clerks, and administrators are just a few of the professionals at work behind the scenes. These individuals enable the National Park Service to fulfill its mission to serve the visitor and to conserve the national treasures with which it is entrusted.

The Volunteers-in-Parks (VIP) Program continues to prove a major force in accomplishing the National Park Service mission. Contributions vary with the volunteer whose skills are used. Volunteers, for example, staff information desks, help advise and assist hikers, manage and restore wetlands, and conduct surveys. During FY 2001, 192,746 volunteers contributed an equivalent of 2,048 FTEs in service to the NPS, more than 4.2 million hours of service. On average, each volunteer contributes approximately 22 hours per year towards the NPS mission.

### National Park Service Directors

Director	Dates of Service
Stephen T. Mather	May 16, 1917 - January 8, 1929
Horace M. Albright	January 12, 1929 - August 9, 1933
Arno B. Cammerer	August 10, 1933 - August 9, 1940
Newton B. Drury	August 20, 1940 - March 13, 1951
Arthur E. Demaray	April 1, 1951 - December 8, 1951
Conrad L. Wirth	December 9, 1951 - January 7, 1964
George B. Hartzog, Jr.	January 9, 1964 - December 31, 1972
Ronald H. Walker	January 7, 1973 - January 3, 1975
Gary Everhardt	January 13, 1975 - May 27, 1977
William J. Whalen	July 5, 1977 - May 13, 1980
Russell E. Dickenson	May 15, 1980 - March 3, 1985
William Penn Mott, Jr.	May 17, 1985 - April 16, 1989
James M. Ridenour	April 17, 1989 - January 20, 1993
Roger G. Kennedy	June 1, 1993 - March 29, 1997
Robert G. Stanton	August 4, 1997 - January 2001
Fran P. Mainella	July 18, 2001 - Present



The National Park Service embraces its mission as educator by providing programs for students of all ages inside and outside park boundaries.

NPS PHOTO, ROCKY MOUNTAIN NATIONAL PARK

# Management Discussion and Analysis:

## Fiscal Year 2001 Highlights

*“Though the world has changed profoundly since the first national parks were created more than a century ago, the national park idea continues to provide benefits of fundamental importance to the nation. So, too, does an array of programs now administered by the Park Service that extends these benefits to virtually every community in America. In looking to the future we must see to it as a nation and as a people that the National Park System and the national park idea continue to flourish.”*

—JOHN HOPE FRANKLIN, CHAIR, NATIONAL PARK SYSTEM ADVISORY BOARD

### RETHINKING THE NATIONAL PARKS FOR THE 21ST CENTURY

The National Park System Advisory Board (a congressionally chartered body of 12 citizens appointed by the Secretary of the Interior) was established under the Historic Sites Act of 1935 to provide advice on matters relating to operations in the parks and management of the National Park Service. In December 1999 the Director of the National Park Service asked the National Park System Advisory Board to “develop a report that should focus broadly on the purposes and prospects for the National Park System for the next 25 years.”

In July 2001 the Board published *Rethinking the National Parks for the 21st Century* ([www.nps.gov/policy/report.htm](http://www.nps.gov/policy/report.htm)), offering a fresh look at the National Park Service by examining its social, cultural, and political environment, and the ways it can serve the American public more effectively. Although the National Park System Advisory Board applauded the recent accomplishments of the National Park Service, it urged that more could be done.

The report acknowledged that “the National Park Service has a twenty-first century responsibility of great importance. It is to proclaim anew the meaning and value of parks, conservation, and recreation; to expand the learning and research occurring in parks and share that knowledge broadly; and to encourage all Americans to experience these special places. As a people, our quality of life—our very health and well-being—depends in the most basic way on the protection of nature, the accessibility of open space and recreation opportunities, and the preservation of landmarks that il-

lustrate our historic continuity. By caring for the parks and conveying the park ethic, we care for ourselves and act on behalf of the future. The larger purpose of this mission is to build a citizenry that is committed to conserving its heritage and its home on earth.”

To encourage public support of resource protection at a higher level of understanding, the National Park System Advisory Board recommended that the NPS:

- Embrace its mission, as educator, to become a more significant part of America’s educational system by providing formal and informal programs for students and learners of all ages inside and outside park boundaries.
- Encourage the study of the American past, developing programs based on current scholarship, linking specific places to the narrative of our history, and encouraging a public exploration and discussion of the American experience.
- Adopt the conservation of biodiversity as a core principle in carrying out its preservation mandate and participate in efforts to protect marine as well as terrestrial resources.
- Advance the principles of sustainability, while first practicing what is preached.
- Actively acknowledge the connections between native cultures and the parks, and assure that no relevant chapter in the American heritage experience remains unopened.
- Encourage collaboration among park and recreation systems at every level—federal, regional, state, local—in order to help build an outdoor recreation network accessible to all Americans.



Members of the National Park System Advisory Board visit Cade's Cove in Great Smoky Mountains National Park.

PHOTO BY DON MCGOWAN

- Improve the Service's institutional capacity by developing new organizational talents and abilities and a work force that reflects America's diversity.

The Board's report concluded that "a sophisticated knowledge of resources and their condition is essential." The NPS is advised to "gain this knowledge through extensive collaboration with other agencies and academia, and to communicate its findings to the public. For it is the broader public that will decide the fate of these resources."

#### NATURAL RESOURCE CHALLENGE

The National Park Service announced the *Natural Resource Challenge* in FY 1999. The program was established to strengthen natural resource management programs throughout the National Park System. The National Park Service envisioned that, as managers, the NPS would be able to give back and preserve the rich heritage found in our national parks, and remain fully informed about park plants, animals, ecosystems, and their interrelationships. The NPS

multi-year strategy identified 10 actions needed to sustain park natural resources:

- Accelerate natural resource inventories.
- Expand monitoring efforts including air and water quality.
- Protect native and endangered species and their habitats.
- Aggressively control non-native species.
- Improve resource planning.
- Assure fully professional staff.
- Enhance environmental stewardship.
- Increase collaboration with scientists and others.
- Enhance use of parks for scientific research.
- Use parks for learning.

A total of \$15.2 million in additional funding was appropriated during the FY 2001 to support the *Natural Resource Challenge*. The largest undertaking was identified as the expansion of the inventory and monitoring effort. Inventories will provide baseline information about natural resources in the parks. Biologists have identified 12 basic natural resource inventories

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**Natural Resource Challenge FY 2001 Increases**

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Increase Area	Amount (in millions)
Monitor vital signs of park ecosystem health	\$ 4.2
Manage threatened & endangered species recovery and invasive species control in parks	3.4
Create vegetation maps	1.7
Establish four cooperative ecological studies units (CESUs)	1.6
Monitor water quality and assess watershed conditions	1.3
Make natural resource data usable for management decisions and the public	1.1
Establish five learning centers	0.9
Expand water resource protection and restoration efforts	0.8
Inventory air emissions in parks	0.2
<b>TOTAL</b>	<b>\$ 15.2</b>

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needed in 265 parks. The inventories will initially focus on mammals, birds, fish, amphibians, reptiles and vascular plants. The following are among the highlights:

- Funding more than doubled for vegetation mapping in national park units. This allows the NPS and USGS Biological Resources Division Vegetation Mapping Programs to complete work for parks in less than half the time, initiate new mapping in other units, and increase and improve long-term planning.
- Funds for monitoring park vital signs were allocated to about 55 parks to establish monitoring networks.
- Monitoring dollars funded 12 park vital signs—monitoring networks in the establishment of nationwide water-quality data management and analysis program.
- Base budget increases were allocated to 17 parks to address invasive species control and threatened and endangered species recovery.
- Air quality funds were used to establish emission inventory programs in 20 parks.

#### **FIVE-YEAR MAINTENANCE AND CAPITAL IMPROVEMENT PLAN**

The National Park Service manages more land, buildings, roads, and water systems than many state governments. In 1999, responding to concerns about a deteriorating infrastructure, the NPS, in concert with the Department of the Interior, committed to the development of a Five-Year Maintenance and Capital Improvement Plan.

The plan covers the NPS repair and rehabilitation and line item construction programs. It is designed to improve manage-

ment and accountability for NPS infrastructure requirements, and to focus maintenance and construction project funding on the highest priority health and safety and resource protection needs. Besides providing a framework for planning and management of these programs, the plan allows better definition and identification of accumulated, deferred maintenance funding requirements. Lists of proposed projects, beginning with the budget year and continuing for four additional years, are submitted to Congress with the annual budget request. The plan is updated annually to reflect changes in priority or the identification of new needs.

Congressional endorsement of this approach resulted in increases in funding for the repair and rehabilitation program and construction programs in FY 1999. The first official submission of the Five-Year Plan, covering the period FY 2000-FY 2004, occurred in FY 2000. In FY 2001 a new software system was introduced in 15 park units to complete the comprehensive condition assessments for road and non-road park facilities. The National Park Service plans to expand this program to 85 units by the close of FY 2002.

#### **RECREATION FEE DEMONSTRATION PROGRAM**

The National Park Service expanded fee collection, beginning in FY 1997, under the authority of the Recreational Fee Demonstration Program. The Fee Demo Program is now authorized through FY 2006. The law allows federal land management agencies to test new fees across the geographic and program spectrum of sites managed by

the respective agencies. More significantly, the new law allows the NPS to retain 100 percent of the revenue collected for park use without the revenue being subject to appropriation.

More than half (204) of the 385 park units presently collect entrance fees and/or use fees. There are 137 participating fee demonstration “pilot parks.” Fee Demo Program pilot parks are allowed to retain 80 percent of all fee revenue collected at the park for immediate use. The remaining 20 percent contributes directly to a central fund which is immediately available to the Director of the NPS for discretionary distribution to parks across the National Park System. Funds collected during the first five years of the pilot program are available for expenditure through September 30, 2004. The availability of additional monies to the NPS over the five-year period is estimated at approximately \$600 million.

The National Park Service has welcomed the Fee Demo Program as an opportunity to test a variety of new fee prices, new types of fees, new collection strategies, and to institute fees in areas that were previously prohibited from charging fees. In the program’s most basic implementation, national parks such as Yellowstone, Grand Canyon, and Yosemite have raised their entrance fee to \$20 per vehicle or \$10 per person, good for seven days. The National Park Service uses “point-of-contact” fee collection, usually at the park entrance, to provide crucial park information and orientation.

One of the main tenets of National Park Service fee policy is to ensure that the public can see the results of their “contribution” to the park. The NPS has determined that the majority of the fee revenue will be dedicated to addressing backlogged maintenance, infrastructure, and interpretive exhibit projects, as well as critical resource management actions throughout the National Park System. Beginning in 1998, Congress also authorized the use of these funds to cover the cost of collecting fees.

Since its beginning in FY 1997, the program has been responsible for nearly \$610 million in additional funding becoming directly available to the parks, approximately \$142 million in FY 2001. A visible example

of the Fee Demo Program is the Vista Clearing Projects along Skyline Drive in Shenandoah National Park, Virginia.

Revenue generated over the course of the Recreation Fee Demonstration Program is critical to the financial health of the National Park System. It provides the NPS an opportunity to undertake and complete a wide variety of project work that would otherwise not be possible within the constraints of the appropriations process. The NPS hopes to convey to the public a long-term sense of “ownership” of their parks by showcasing visible results of the program through better protection of the irreplaceable park resources, and by providing a more satisfying and complete visitor experience.

## **LAND ACQUISITION**

Many national parks contain land within their legislatively designated boundaries that is not owned by the Federal Government. All privately held interests are potentially subject to use and development. In some cases, proposed developments of these private interests are compatible with the park’s purpose and objectives. However, many adversely affect the preservation of cultural, historic, or natural resources, and conflict with park purposes. Where regulatory authority exists, the National Park Service may control or condition the use of private interests. However, owners of privately held interests hold legally recognized and protected property rights. The NPS cannot deny their use without due process of law and just compensation to the holder of the right.

The National Park Service has land protection plans for all units containing private lands to identify the minimum land acquisition necessary to protect park resources and provide for visitor use. Not all privately held lands within the National Park System have been identified for purchase. Of the 84.4 million acres of the National Park System, 43 million are privately owned. The NPS has determined that 1.8 million acres of land should be acquired, over half of which is in Alaska. This is an increase from previous figures submitted, due to the fact that the Alaska lands have been inventoried and included. Lands proposed for acquisition are estimated to value \$1.5 billion.

The NPS has determined that 1.8 million acres of land should be acquired, over half of which is in Alaska. Alaska lands, such as Gates of the Arctic National Park and Preserve, protect the greatest remaining wilderness in North America.

NPS PHOTO



In FY 2001, \$104.4 million was obligated for land acquisition. During that time, the NPS acquired interest in 2,190 tracts containing 115,282 acres. Of all lands acquired within the National Park System during FY 2001, 12,793 acres were acquired by purchase; 6,878 acres were acquired by taking or condemnation; 6,213 acres were acquired by donation; and 89,398 acres were transferred to the NPS from other Federal Government agencies. The following are some highlights of the FY 2001 acquisition program.

**Mojave National Preserve.** The National Park Foundation donated the largest private ranching operation in Mojave National Preserve to the NPS in December 2000. Mojave National Preserve is the third largest unit in the lower 48 states, and with this acquisition, grazing leases on over 800,000 acres have been permanently extinguished, and the majority of the lands within the boundary are now managed by the NPS.

**Gettysburg National Military Park.** In August 2001 the Park acquired the Adams County Motors Corporation tract (6.46 acres) on which a new and used auto dealership has been located, along with a service center. This is in the very center of the first day's battlefield and served as the Eleventh Corps battle line on July 1, 1863. Acquisition and rehabilitation of this land is criti-

cal to preserving the battlefield and meeting the mission of the park.

**City of Rocks National Reserve/Hagerman Fossil Beds National Monument.** A collaborative effort was undertaken between the State of Idaho, the National Park Service, and The Conservation Fund during FY 2001. The famous "Castle Rock Ranch," near the City of Rocks National Reserve in south central Idaho, was acquired with assistance from The Conservation Fund. This acquisition was used as a "land for land" exchange with the state of Idaho for an inholding of state land at Hagerman Fossil Beds National Monument—the "marquee" parcel of the fossil bed containing the namesake "Hagerman Horse (fossil) Quarry" as discovered by the Smithsonian expedition in the early 1930s. This acquisition and subsequent exchange serve to protect critical national resources, and provide for the public's recreation and private land uses.

**South Florida Ecosystem Restoration.** In support of the Department of the Interior's initiative to restore and protect the water flow into the Everglades and Florida Bay ecosystems, the NPS acquired 1,851 tracts containing 10,131 acres at Everglades National Park and 90 tracts containing 499 acres at Big Cypress National Preserve.

## PARTNERSHIPS

The National Park Service uses partnerships as an integral part of the new way the NPS reviews and accomplishes its mission. The National Park Service benefits from thousands of different partnerships including memorandums of understanding, park-based relationships with local youth groups, joint research projects with colleges and universities, interagency agreements, and Servicewide fundraising campaigns.

The National Park Service develops partnerships at all levels and disciplines of the organization. Partners include individuals, corporations, foundations, nonprofit organizations, schools, colleges and universities, and local, state, tribal, and international en-

tities. National Park Service partnerships presently provide cooperative management, visitor services, interpretation and education, preservation, land and other grants, public safety, and much more.

The National Park Service Volunteers-In-Parks (VIP) is one of the best examples of successful partnerships. The VIP program involves local citizens, from high school students to seniors, that assist with operations in all disciplines including resource management, interpretation, and administration. The program's success is demonstrated by the increased number of participants, the number of hours volunteered, and the savings to the operation of National Park System.

### Representative National Park Service Partnerships

Partnership	Partners	Purpose
COOPERATIVE MANAGEMENT		
Facilities Maintenance	Bureau of Indian Affairs Bureau of Land Management Bureau of Reclamation Fish and Wildlife Service U.S. Geological Survey	Jointly develop the Facilities Maintenance Systems Software (FMSS).
Appalachian National Scenic Trail	Appalachian Trail Conference State Departments of Transportation State Forests and Parks State Police Offices U.S. Forest Service Southern Appalachia Man and Biosphere U.S. Geological Survey	Trail Management  Assess the environmental health of the trail. Scientific research
FIRE PROGRAMS		
<i>Firewise</i> - National Wildland/Urban Interface Fire Protection Program	Concerned Parties	Public education program about wildland fire approaching populations.
National Fire Program - National Interagency Fire Center (NIFC)	Bureau of Indian Affairs Bureau of Land Management U.S. Fish and Wildlife Service National Association of State Foresters National Oceanic and Atmospheric Administration Office of Aircraft Services U.S. Forest Service	Multi-agency wildland fire suppression and natural disaster support center to improve efficiency and cost effectiveness.
Personal Protective Equipment (PPE) Program	Local/Rural Fire Departments State Divisions of Forestry	Support rural fire departments with PPE, training, and supplies through matching grants of in-kind services or funding.

## Representative National Park Service Partnerships

Partnership	Partners	Purpose
<b>FUNDRAISING</b>		
Explore Your America	Cooperating Associations Friends Groups National Park Foundation	Raise support for specific parks or groups of parks. Identify opportunities to maximize donations to national parks.
Proud Partners of America's National Parks	American Airlines Discovery Communications, Inc. Ford Motor Company Kodak TIME magazine	Benefit the NPS mission in multiple ways.
<b>INFRASTRUCTURE</b>		
Federal and Non-Federal Dam Safety Programs	Bureau of Reclamation	Provide advice/information about Dam Safety Programs, engineering, and specialized services.
Park Roads and Parkways	Federal Highway Administration (FHWA)	Assist the NPS in planning, designing, and constructing park transportation facilities.
<b>INTERNSHIPS</b>		
National Association of Service and Conservation Corps (NASCC)	Federal Agencies Nonprofit Organizations State Agencies	Places interns in national parks for maintenance or conservation projects.
National Park Service Youth Program Partnership	Department of Labor Job Corps	Education and vocational training/work study programs in parks.
Student Career Experience Program (SCEP)	Delaware University Hood College Johns Hopkins University New York University Northwestern State University Shepherd College State University in Buffalo	Semester credit hours for students at Harpers Ferry Interpretive Design Center.
Youth Conservation Corps	Student Conservation Association (SCA)	Education and vocational training/work study programs at national parks.
<b>INTERPRETATION &amp; EDUCATION</b>		
Archeological Research	Kress Foundation of Archeological Research	Fund grants for research on conservation and preservation of artifacts and historic objects.
Discovery Stations	Coca-Cola Kodak Corporation National Park Foundation	Provide small-scale temporary or seasonal interpretive exhibits.
Exhibit Conservation	Harpers Ferry Historical Association	<i>Exhibit Conservation Guidelines</i> CD production, sales, and distribution.
Federal Interagency Council of Interpretation (FICI)	Army Corps of Engineers Association of Partners for Public Lands Bureau of Land Management U.S. Fish and Wildlife Service National Association for Interpretation U.S. Forest Service U.S. Geological Survey	Facilitate communications between interpretive communities in land management agencies.

## Representative National Park Service Partnerships

Partnership	Partners	Purpose
INTERPRETATION & EDUCATION		
Migratory Bird Research	U.S. Fish and Wildlife Service Smithsonian Institute	Research, publication, and distribution of <i>Migratory Bird Handbook</i> .
NPS/NASA	National Aeronautic Space Administration (NASA) Goddard Space Flight Center	Explores areas of mutual interest for educational purposes.
Partners for Public Lands	Association of Partners for Public Lands	Communication venue for training opportunities and 66 cooperating associations.
Partners in Resource Education (PARTNERS)	Bureau of Land Management U.S. Fish and Wildlife Service National Environmental Education and Training Foundation (NEETF) Natural Resource Conservation Service U.S. Forest Service	Coordinate efforts in natural and cultural resource education.
Traditional Arts	National Council for the Traditional Arts	Assist traditional arts activities at 5-7 parks, and the annual July 4th celebration on the Mall.
Trails to Rails Program	National Railroad Passenger Corporation (Amtrak)	On-board Amtrak educational and interpretive programs.
Visitor Programs and Resource Stewardship	66 Cooperating Associations	Assist in education, interpretation, and research activities to benefit the visitor and NPS resources.
Volunteers-In-Parks (VIP) Program	Interested Citizens International Visitors	Volunteer help from visitors in various capacities.
LAND PROGRAMS		
Federal Lands to Parks	Nebraska Game and Parks Commission	Transfer federal lands to state or local governments for parks.
Land and Water Conservation Fund (LWCF)	States and local governments	Acquire and develop non-federal public outdoor recreation areas and facilities.
GRANT PROGRAMS		
American Battlefield Protection Program	Nonprofit Organizations	Matching grant program for preservation and enhancement projects at U.S. Revolutionary and Civil War battle sites.
Save America's Treasures Program	National Trust for Historic Preservation	Matching grant program for preservation and enhancement projects at parks.
Urban Park and Recreation Recovery (UPARR) Grant Program	Local governments	Recreation planning and rehabilitation of recreation areas in cities and for innovative delivery of recreation services.
OUTSOURCING		
Employee Housing Program	Grand Portage Band of Minnesota Chippewa Local Area Rental Companies	Provide non-federal housing for employees of Grand Portage NM, Isle Royale NP, and other national parks.

## Representative National Park Service Partnerships

Partnership	Partners	Purpose
OUTSOURCING		
Employee Housing Program	U.S. Forest Service	Provide joint federal housing for NPS and USFS on U.S. Forest Service lands.
PRESERVATION/CONSERVATION		
Federal Preservation Institute	Federal Agencies	Information and training in historic preservation law, policy, and practice.
Green Energy Parks Program (GEPP)	Department of Energy	Matching funds for projects in energy and water conservation, renewable energy, alternative fuel vehicles, and infrastructure.
	Electric Power Research Institute James Madison University	Coordinate in-depth energy audits at selected parks and make recommendations on energy usage.
Heritage Areas	Neighboring Communities State and Local Agencies Nonprofit Organizations Historical Groups	Increase public understanding of the natural environment and cultural heritage of local areas of significance.
Maritime Initiative	Department of Defense U.S. Coast Guard U.S. Lighthouse Society	Comprehensive historic lighthouse preservation program.
Vanishing Treasures	45 National Parks Neighboring Communities	Southwest ruins conservation and craftsman apprenticeships.
PUBLIC SAFETY		
Public Health Safety and Risk Management Program	U.S. Public Health Service (PHS)	Assigns PHS officers to furnish public health consultation and comprehensive national environmental health risk management support.
Ranger Activities Division Programs	Seasonal Law Enforcement Academies	Monitor seasonal law enforcement academy programs to certify NPS standards and requirements.
	National Register of Emergency Medical Technicians	National procedure allowing rangers to transfer EMT certification nationally.
	National Search and Rescue Committee	Set policy for all U.S. SAR missions and activities and enter into international agreements.
VISITOR SERVICES		
Accessibility	Bureau of Indian Affairs Bureau of Land Management U.S. Fish and Wildlife Service Indiana University Department of Recreation and Park Administration National Aeronautic Space Administration (NASA) National Center on Accessibility State Departments of Natural Resources. Tennessee Valley Authority U.S. Forest Service	Technical assistance and education to provide access to websites (and other information sources), facilities, and park activities.

## Representative National Park Service Partnerships

Partnership	Partners	Purpose
VISITOR SERVICES		
Concession Management Program	Northern Arizona University School of Hospitality	Comprehensive multi-year certification program in hospitality management.
	U. S. Army MWR Training Academy	Develop and implement a National Park Service Concession Contract Certification Program.
Federal Interagency Team on Volunteerism (FITV)	Army Corps of Engineers Bureau of Land Management U.S. Fish and Wildlife Service U.S. Forest Service	Activities and cooperative ventures to enhance professionalism and viability of volunteer programs.
National Register Travel Itineraries	National Register of Historic Places Nonprofit Organizations State Governments	Web-based theme itineraries provide walking and driving tours.
Visitor Center Bookstores	Natural History Associations Friends of Parks Groups	Provide education, interpretation, and research activities in parks.

**National Park Service and Bureau of Land Management archeologists survey Yost Draw in the Jornada del Muerto section of the El Camino Real de Tierra Adentro National Historic Trail.**

NPS PHOTO BY HARRY MYERS



The National Park Service natural resource management program has a particularly rich conglomeration of partnerships in place. Academic partnerships with universities contribute to natural resources databases and internships at the parks. Consortium arrangements between the NPS, corporations, and universities support natural resource scholarship. Partnerships with other federal agencies yield compre-

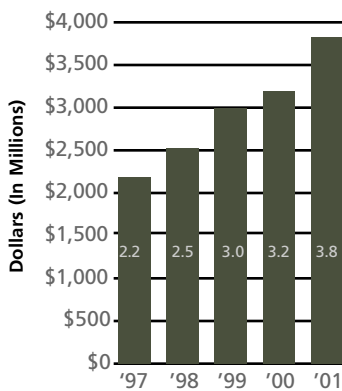
hensive planning for federal lands. Other arrangements support natural resource preservation and conservation.

The National Park Service is reviewing present relationships and seeking opportunities to expand and/or develop new partnerships to better accomplish the NPS mission in concert with all the stakeholders of the national parks.

#### NPS Partners in Natural Resource Research and Management

Cooperators	Description	Type of Agreement
<b>ACADEMIA</b>		
Colorado State University	Water and air resources research and water rights studies, technical support.	Cooperative
Haskell Tribal College	Native American internships	Cooperative
Southern University	Urban Studies, Social Science	Cooperative
<b>CONSORTIUM</b>		
Canon U.S.A., Inc	Canon National Parks Science Scholars Program	Through the National Park Foundation
American Association for the Advancement of Science National Park Foundation Mellon Foundation Ecological Society of America National Park Foundation	National Parks Ecological Research Fellowship Program	Through the National Park Foundation
Over 70 Universities and Others 10 Federal Partners	Cooperative Ecosystem Studies Units	Regional Interagency National MOU
<b>FEDERAL</b>		
U.S. Bureau of Land Management U.S. Environmental Protection Agency U.S. Fish and Wildlife Service	Air quality monitoring Visibility monitoring in national parks Exotic species management, endangered species	Interagency Regional Interagency Interagency
U.S. Forest Service U.S. Forest Service U.S. Geological Survey	Forest insect and disease control Air quality monitoring Water, geologic, biologic, mapping and natural resources programs in the two bureaus.	Interagency Regional Interagency Regional Interagency
<b>ADVOCATE GROUPS</b>		
Discover Life in America	Scientific inventories in national parks, initially Great Smoky Mountains NP.	General
George Wright Society	Planning and participating in technical professional meetings; assistance in workshop planning.	Cooperative
National Fish and Wildlife Foundation Natural Areas Association	Joint funding of native plant conservation projects. Planning and participating in subject related professional meetings and workshops.	Cooperative Cooperative
Society for Conservation Biology	ADNRSS participation in conservation biology in practice editorial board.	General
Society for Ecological Restoration	Planning and participating in subject related professional meetings.	Cooperative

## NPS Total Budgetary Resources



Total NPS Budgetary Resources have increased on an average of 14 percent per year.

## FINANCIAL TRENDS AND IMPACTS

The National Park Service has fared relatively well over the last five years compared to most other federal entities regarding total budgetary resources available. As illustrated in the accompanying chart, total resources have increased on an average of 14 percent per year. While this increase appears large, it has translated into only minor gains (approximately 3 percent) per annum available to park units as increases to their operating budgets. This is important, as the dollars available to parks on an annual basis for operations makes a significant contribution to the maintenance levels provided to facilities. The most significant management challenge, from a financial perspective facing the NPS, is how to address the large backlog of deferred maintenance projects that have accumulated over time because of insufficient operating levels. This issue has been the primary focus of the new Administration in providing for the redirection of (and addition to) existing NPS budgetary resources toward the maintenance backlog. Focus on this issue in the future may have major implications on the Required Supplemental Information provided in this report, as projects are completed, and the condition of NPS assets are better quantified through condition assessments.

Furthermore, the initial budgetary authority given the National Park Service through the Appropriations Bill often is augmented during the course of the year through supplemental appropriations for major unforeseen events such as wildland fires, storm damage caused by hurricanes, and other acts of nature. Unfortunately, the risk of damage to the assets entrusted to the care of the National Park Service has significantly increased because of the acts of September 11, 2001. As steward of some of our nation's most visible symbols such as the Statue of Liberty, Golden Gate Bridge, and monuments in the Nation's Capital, we must be increasingly aware and vigilant against the risks posed by terrorist groups.

From a strategic perspective, Fiscal Year 2001 was not a complete success as the National Park Service exceeded its goals in disturbed lands and conservation assistance, met its goal for visitor satisfaction, but failed to meet its goal for the preservation of historic structures. The goal was not

met with only 44 percent of the historic structures on the List of Classified Structures in good condition. Analysis of trend information of actual versus planned performance indicates that parks frequently overestimate their future accomplishments for improving the condition of historic structures. Planned performance has been reduced to bring expected accomplishments in accordance with funding and planned effort.

While a comparison of the financial statements from Fiscal Years 2000 to 2001 does not reveal a significant change in overall net position, there are some underlying changes worth highlighting. Because of the audit performed by KPMG LLP on NPS Fiscal Year 2000 financial statements, the National Park Service began working on several financial improvement initiatives resulting in decreased balances for the Undelivered Orders and Construction Work-in-Process accounts. Finally, a policy change in the capitalization threshold of personal property from \$5,000 to \$15,000 resulted in a large decrease of the number of items carried in our Equipment account.

Of immediate concern to NPS management is a U.S. Federal Court decision against the Department of the Interior over potential computer security issues with the Bureau of Indian Affairs trust fund accounting system. The result of this order was an immediate shutdown of all Internet and telecommunication access to computer systems Departmentwide during mid-December 2001. The impact of this shutdown is experienced in a variety of ways. The NPS public Internet site, which receives approximately 700,000 "hits" daily, has been unavailable for visitors, students, and researchers to access park information. Many communities with vendors that do business with park units are being adversely affected, as invoices are not being paid through the NPS financial system. National Park Service employees are not being reimbursed for travel costs, and are not being paid for overtime and other premium pay entitlements. Ultimately this will probably impact NPS FY 2002 financial statements in terms of compliance with the Prompt Payment Act, and interest charges paid to vendors because of overdue invoices.

Despite the systems access challenges faced in December 2001, the NPS was able to support KPMG LLP's audit of National Park Service annual financial statements and continued to receive an unqualified opinion. Financial reporting will continue to be a challenge in FY 2002, as the NPS will be required to provide financial statements to the Office of Management and Budget semi-annually, and within a much shorter timeframe at year end.

The National Park Service is required under the Federal Manager's Financial Integrity Act (FMFIA) to analyze its systems of management, administrative, and financial controls annually, and the Director is required to provide a reasonable assurance on the effectiveness of its management controls taken as a whole. That assertion was positive again in FY 2001 since the National Park Service was able to provide reasonable assurance on the effectiveness of its man-

agement controls. Further information on FMFIA and this assertion is included after this section.

The financial statements included in this report have been prepared to report the financial position and results of operations of the entity, pursuant to the requirements of 31 U.S.C. 3515(b). While the statements have been prepared from the books and records of the entity in accordance with the formats prescribed by the Office of Management and Budget, the statements are in addition to the financial reports used to monitor and control budgetary resources which are prepared from the same books and records. The statements should be read with the realization that they are for a component of the U.S. Government, a sovereign entity. One implication of this is that liabilities cannot be liquidated without legislation that provides resources to do so.



IN THE HEART  
AS IN THE HEART  
FOR WHOM HE SAVED THE  
THE MEMORY OF ABRAHAM LINCOLN  
IS ENSHRINED FOREVER

The Lincoln Memorial inspires  
visitors with the classical beauty of  
its marble structure.

COREL CORP. PHOTO

# Financial Statements

## FINANCIAL MANAGEMENT CONTROLS AND ASSERTION

### Federal Managers' Financial Integrity Act (FMFIA)

The Federal Managers' Financial Integrity Act (FMFIA) requires agencies to provide annually a statement of assurance regarding management controls and financial systems. Agency financial management controls and systems, taken as a whole, provide reasonable assurance that its accounting systems comply with appropriate federal requirements. This conclusion is based on the review and consideration of a wide variety of evaluations, internal analyses, reconciliations, reports, and other information, including quality assurance evaluations, General Accounting Office and Office of Inspector General audits, and an independent public accountant's opinion on our financial statements and reports on our internal control structure and compliance with laws and regulations.

### FMFIA Assurance Statement Fiscal Year 2001

On the basis of the National Park Service's comprehensive management control program, I am pleased to certify, with reasonable assurance, that the NPS's systems of accounting and internal controls are in compliance with the internal control objectives in OMB Circular A-123, Management Accountability and Control. I also believe these same systems of accounting and internal controls provide reasonable assurance that the Agency is in compliance with the provisions of the Federal Managers' Financial Integrity Act.



C. Bruce Sheaffer  
Comptroller, Assistant Director

**Department of the Interior, National Park Service**  
**Consolidated Balance Sheets as of September 30, 2001 and 2000**  
**(Dollars in Thousands)**

ASSETS (Note 2)	FY 2001	FY 2000 Restated (Note 21)
Intragovernmental		
Fund Balance with Treasury (Note 3)	\$ 17,181,583	\$ 16,557,823
Investments	65	65
Accounts Receivable (Note 4)	9,318	13,716
Advances to Others (Note 5)	1,948	6,763
<b>Total Intragovernmental</b>	<b>17,192,914</b>	<b>16,578,367</b>
Cash (Note 6)	379	366
Accounts Receivable, Net (Note 4)	6,970	9,137
Loan Receivable (Note 7)	5,037	5,397
Advances to Others (Note 5)	1,572	823
General Property, Plant, and Equipment, Net (Note 8)	755,702	797,943
<b>TOTAL ASSETS</b>	<b>\$ 17,962,574</b>	<b>\$ 17,392,033</b>
LIABILITIES (Note 9)		
Intragovernmental		
Accounts Payable (Note 10)	\$ 20,258	\$ 24,151
Advances From Others (Note 11)	52,290	80,797
Accrued Benefits	12,310	10,920
Unfunded Accrued Liabilities (Note 12)	40,439	39,382
Accounts Payable to Treasury	3,760	4,199
Other	93	-
<b>Total Intragovernmental</b>	<b>129,150</b>	<b>159,449</b>
Accounts Payable (Note 10)	120,184	79,184
Advances From Others (Note 11)	6,038	9,254
Accrued Payroll and Benefits	61,288	50,806
Unfunded Annual Leave	75,329	70,819
Federal Employees Compensation Act Liabilities (Note 12)	240,749	205,051
Contingent Liabilities (Note 13)	9,652	12,264
Other	336	-
<b>TOTAL LIABILITIES</b>	<b>\$ 642,726</b>	<b>\$ 586,827</b>
NET POSITION		
Unexpended Appropriations (Note 14)	\$ 896,024	\$ 684,231
Cumulative Results of Operations	16,423,824	16,120,975
<b>TOTAL NET POSITION</b>	<b>17,319,848</b>	<b>16,805,206</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 17,962,574</b>	<b>\$ 17,392,033</b>

*The accompanying notes are an integral part of these financial statements.*

**Department of the Interior, National Park Service**  
**Consolidated Statement of Net Cost**  
**For the Year Ended September 30, 2001**  
**(Dollars in Thousands)**

REGIONS	Preserve Park Resources	Provide for the Public Enjoyment and Visitor Experience of Parks	Strengthen and Preserve Natural and Cultural Resources and Enhance Recreational Opportunities Managed by Partners	Total
MID-ATLANTIC REGION	\$ 109,362	\$ 278,756	\$ 30,345	\$ 418,463
Less: Earned Revenues	(10,669)	(19,415)	(9,060)	(39,144)
Net Region Costs	98,693	259,341	21,285	379,319
SOUTHEAST REGION	96,112	225,934	21,490	343,536
Less: Earned Revenues	(10,236)	(18,272)	(5,904)	(34,412)
Net Region Costs	85,876	207,662	15,586	309,124
MIDWEST REGION	56,756	139,327	15,323	211,406
Less: Earned Revenues	(4,258)	(7,275)	(2,082)	(13,615)
Net Region Costs	52,498	132,052	13,241	197,791
INTERMOUNTAIN REGION	138,505	301,566	28,651	468,722
Less: Earned Revenues	(32,015)	(50,152)	(17,520)	(99,687)
Net Region Costs	106,490	251,414	11,131	369,035
PACIFIC WEST REGION	133,590	294,859	23,056	451,505
Less: Earned Revenues	(25,563)	(40,553)	(11,803)	(77,919)
Net Region Costs	108,027	254,306	11,253	373,586
ALASKA REGION	22,531	61,424	4,742	88,697
Less: Earned Revenues	(2,269)	(4,179)	(1,093)	(7,541)
Net Region Costs	20,262	57,245	3,649	81,156
NATIONAL CAPITAL REGION	65,951	203,560	4,926	274,437
Less: Earned Revenues	(3,274)	(7,954)	(3,133)	(14,361)
Net Region Costs	62,677	195,606	1,793	260,076
OTHER REGIONS	21,418	43,819	18,654	83,891
Less: Earned Revenues	(1,146)	(2,701)	(417)	(4,264)
Net Region Costs	20,272	41,118	18,237	79,627
Total Grants Program Costs	-	-	70,270	70,270
Less: Earned Grants Program Revenues	-	-	(2,744)	(2,744)
Net Grants Program Costs	-	-	67,526	67,526
Costs Not Assigned to Regions or Grants Programs:				
Acquisition and Renovation of Heritage Assets	12,038	38,490	367	50,895
NET COST OF OPERATIONS (Note 19)	<u>\$ 566,833</u>	<u>\$ 1,437,234</u>	<u>\$ 164,068</u>	<u>\$ 2,168,135</u>

*The accompanying notes are an integral part of these financial statements.*

**Department of the Interior, National Park Service**  
**Consolidated Statement of Net Cost**  
**For the Year Ended September 30, 2000**  
**(Dollars in Thousands)**

PROGRAMS	Restated (Note 21)
Operations of the National Park Service	\$ 1,472,134
Less: Earned Revenues	(25,483)
Net Program Costs	1,446,651
Construction	305,929
Less: Earned Revenues	(87,743)
Net Program Costs	218,186
Trust Funds	72,436
Less: Earned Revenues	(1,746)
Net Program Costs	70,690
Fee Collection and Demonstration Activity	96,412
Less: Earned Revenues	(163,974)
Net Program Costs	(67,562)
Operations and Maintenance Quarters	15,556
Less: Earned Revenues	(15,312)
Net Program Costs	244
Historical Preservation	34,607
Less: Earned Revenues	0
Net Program Costs	34,607
Other	15,284
Less: Earned Revenues	(5,387)
Net Program Costs	9,897
Other Program Costs	
National Recreation and Preservation	47,531
Fire and Emergency Operations	120,384
Urban Park and Recreation	671
Job Corps	14,865
Total Other Program Costs	183,451
Costs Not Assigned to Programs	
Heritage Assets	26,617
Land Acquisition	125,586
Total Program Costs Not Assigned to Programs	152,203
NET COST OF OPERATIONS (Note 19)	<u>\$ 2,048,367</u>

*The accompanying notes are an integral part of these financial statements.*

**Department of the Interior, National Park Service**  
**Consolidated Statement of Changes in Net Position**  
**For the Year Ended September 30, 2001**  
**(Dollars in Thousands)**

NET COST OF OPERATIONS	\$ (2,168,135)
Financing Sources:	
Appropriations Used	1,827,218
Annual Appropriations Closed During Current Fiscal Year	(190)
Land and Water Conservation Fund In Flows	1,049,494
Other Nonexchange Revenue	48
Donated Revenue - Financial Resources	27,537
Imputed Financing	64,724
Transfers - In	17,075
Transfers - Out	(5,144)
Transfers - Land and Water Conservation and Historic Preservation Funds (Note 18)	(516,644)
Other Financing Sources (Note 15)	39,584
NET RESULTS OF OPERATIONS	335,567
Change in Capitalization Threshold (Note 8)	(32,718)
NET CHANGE IN CUMULATIVE RESULTS OF OPERATIONS	302,849
Increase in Unexpended Appropriations	211,793
CHANGE IN NET POSITION	514,642
NET POSITION - BEGINNING OF PERIOD (Note 21)	16,805,206
NET POSITION - END OF PERIOD	<u>\$ 17,319,848</u>

*The accompanying notes are an integral part of these financial statements.*

**Department of the Interior, National Park Service**  
**Combined Statement of Budgetary Resources**  
**For the Year Ended September 30, 2001**  
**(Dollars in Thousands)**

Budgetary Resources (Note 22):	
Budget Authority (Note 16)	\$ 2,734,662
Unobligated Balances - Beginning of Period (Note 23)	905,939
Spending Authority From Offsetting Collections	62,034
Adjustments	89,864
<b>TOTAL BUDGETARY RESOURCES</b>	<b>\$ 3,792,499</b>
Status of Budgetary Resources:	
Obligations Incurred	\$ 2,591,185
Unobligated Balances - Available	938,664
Unobligated Balances - Unavailable	262,650
<b>TOTAL STATUS OF BUDGETARY RESOURCES</b>	<b>\$ 3,792,499</b>
Outlays:	
Total Obligations Incurred	\$ 2,591,185
Less: Spending Authority From Offsetting Collections and Adjustments (Note 23)	(176,550)
<b>Obligations Incurred, Net</b>	<b>2,414,635</b>
Obligated Balance, Net - Beginning of Period (Note 23)	678,951
Less: Obligated Balance, Net - End of Period	(946,098)
<b>TOTAL OUTLAYS</b>	<b>\$ 2,147,488</b>

*The accompanying notes are an integral part of these financial statements.*

**Department of the Interior, National Park Service**  
**Consolidated Statement of Financing**  
**For the Year Ended September 30, 2001**  
**(Dollars in Thousands)**

Obligations and Non-Budgetary Resources:	
Obligations Incurred	\$ 2,591,185
Less: Offsetting Collections and Adjustments	(176,550)
Donations	27,537
Imputed Financing	64,724
Transfers-In/Transfers-Out, Net	11,931
Exchange Revenue Not On Budget	(191,693)
Other Financing Sources	39,584
<b>TOTAL OBLIGATIONS AS ADJUSTED, AND NON-BUDGETARY RESOURCES</b>	<b>\$ 2,366,718</b>
Resources That Do Not Fund Net Cost of Operations:	
Change in Amount of Goods, Services, and Benefits Ordered But Not Yet Received or Provided	(253,001)
Costs of Capitalized Assets on the Balance Sheet	(70,195)
<b>TOTAL RESOURCES THAT DO NOT FUND NET COST OF OPERATIONS</b>	<b>(323,196)</b>
Costs That Do Not Require Resources:	
Depreciation and Amortization	59,989
Bad Debt Expense	599
Loss/(Gain) on Disposition	19,731
Other Expenses Not Requiring Resources	5,640
<b>TOTAL COSTS THAT DO NOT REQUIRE RESOURCES</b>	<b>85,959</b>
Financing Sources Yet to Be Provided	38,654
<b>NET COST OF OPERATIONS</b>	<b>\$ 2,168,135</b>

*The accompanying notes are an integral part of these financial statements.*

# Notes to the Consolidated Financial Statements

## For the Years Ended September 30, 2001 and 2000

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**A. Reporting Entity.** The National Park Service (NPS) is a bureau of the U.S. Department of Interior (DOI), and is responsible for promoting and regulating designated areas within the National Park System. The NPS also is responsible for conserving the scenery, historic objects, and wildlife so that they may be enjoyed by future generations.

The Director of the National Park Service is responsible for administrative oversight and policy of the NPS, including authority over money and/or other budget authority made available to it.

In fulfilling its mission, the NPS administers a variety of funds:

- **General Appropriated Funds** - These funds include: (1) receipt accounts used to account for collections not dedicated to specific purposes, and (2) expenditure accounts used to record financial transactions arising under congressional appropriations or other authorizations to spend general revenues. The National Park Service's principal general funds are:
  - Operation of the NPS
  - National Recreation and Preservation
  - Construction
- **Trust Funds** - These funds are established to account for receipts held in trust for use in carrying out specific purposes and programs in accordance with an agreement or statute. The National Park Service's principal trust funds are:
  - Donations
  - Birthplace of Abraham Lincoln
  - Construction - Federal Aid Highways
- **Deposit Funds** - These funds are established to account for receipts awaiting proper classification, or receipts held in escrow until ownership is established, when proper distribution can be made.

- **Special Funds** - These funds arise from receipts deposited into accounts established by the U.S. Department of Treasury (Treasury) that are earmarked by law for a specific purpose. The collections deposited into the designated Treasury receipt accounts are not the result of operations of these special funds. Funding for the first three of the special funds below must be appropriated by the United States Congress (Congress). Funding is immediately available upon receipt into the Treasury accounts for the two remaining special funds. The National Park Service's principal special funds are:

#### Special Receipt Funds

- Grant Administration
- Land Acquisition and State Assistance
- Historic Preservation

#### Available Receipt Funds

- Fee Collection and Demonstration Activity Support
- Quarters, Operation and Maintenance

In addition to the above, the NPS also administers the DOI Land and Water Conservation Fund (L&WCF) and Historic Preservation Fund (HPF) which are unavailable special receipt accounts. The NPS has restated the Fiscal Year (FY) 2000 Consolidated Balance Sheet by retroactive inclusion of these funds (approximately \$15 billion). In past years the L&WCF and HPF were reported on the DOI's reports. In FY 2001 it was administratively determined that these rightfully belonged on the NPS's consolidated financial statements. The L&WCF was enacted in 1964 (Public Law 88-578) to create and maintain a nationwide legacy of high quality recreation areas and facilities. The L&WCF Act established a funding source for both federal acquisition of authorized national park, conservation and recreation areas, as well as grants to state and local governments to help them acquire, develop, and improve outdoor recreation areas. Annually, \$900 million for the L&WCF and \$150 million for HPF are

transferred from the DOI's Minerals Management Service to the NPS, the bulk of which is from royalties from Outer Continental Shelf Oil deposits. Each year, amounts from the L&WCF and HPF are warranted to some of the bureaus within the DOI, and the rest to the U.S. Department of Agriculture's Forest Service Agency.

The U.S. Congress also appropriates approximately \$80.5 million to the HPF each year. The HPF provides matching grants to encourage private and non-federal investment in historic preservation efforts nationwide, and assists state, local governments, and Indian tribes with expanding and accelerating their historic preservation activities nationwide. HPF grants serve as a catalyst and "seed money" for preserving and protecting our nation's irreplaceable heritage for this and future generations.

As of September 30, 2001 and 2000, the NPS had approximately 85 concession agreements which contain provisions that provide for the establishment of escrow-type accounts to be used to develop, improve, and maintain visitor facilities. These "Special Account" funds are maintained in separate interest-bearing bank accounts of the concessioners. The concessioner periodically deposits a percentage of gross revenue in the account as provided in the concessioner agreement. While the funds may be disbursed only by approval of the concessioner and the park superintendent, they are normally intended, according to the contractual arrangements, to be used to improve or maintain the facilities used by the concessioner to provide services to visitors.

There are differing interpretations as to the extent of the National Park Service's jurisdiction over these funds, and the related receipts and expenditures. Specifically, the Office of Management and Budget (OMB) and Treasury have required that these accounts be included in Federal Government budgetary reporting. However, it is the opinion of the Solicitor of the Department of the Interior that:

*"The funds contained in Concession Improvement Accounts . . . are owned by the concessioner and are not receipts of the*

*United States. Expenditure of such funds by the concessioner are private expenditures, not governmental expenditures."*

Therefore, the balances, inflows, and outflows of these concessioner Special Accounts are not reflected in the consolidated financial statements of the NPS. The concessioners reported that these Special Accounts balances totaled approximately \$56.9 million and \$55.2 million, as of September 30, 2001 and 2000, respectively.

#### **B. Basis of Accounting and Presentation.**

These consolidated financial statements have been prepared to report the financial position, net cost of operations, changes in net position, budgetary resources, and reconciliation of net costs to budgetary resources of the NPS as required by the Chief Financial Officers Act of 1990 and the Government Management Reform Act of 1994. The consolidated financial statements have been prepared from the books and records of the NPS in accordance with accounting principles generally accepted in the United States of America, and also using guidance issued by the Federal Accounting Standards Advisory Board (FASAB), the OMB, and NPS accounting policies which are summarized in this note. These consolidated financial statements include all funds and accounts under the control of the NPS and allocations from other federal agency appropriations transferred to the NPS under specific legislative authority.

The accounting structure of Federal Government agencies is designed to reflect both accrual and budgetary accounting transactions. Under the accrual method of accounting, revenues are recognized when earned, and expenses are recognized when incurred, without regard to receipt or payment of cash. The budgetary accounting principles, on the other hand, are designed to recognize the obligation of funds according to legal requirements, which in many cases is prior to the occurrence of an accrual-based transaction. The recognition of budgetary accounting transactions is essential for compliance with legal constraints and controls over the use of federal funds.

All significant transactions and balances among NPS's, and the Land and Water Conservation and Historic Preservation

funds have been eliminated from NPS's consolidated balance sheets, statements of net cost, and statement of changes in net position. As provided by OMB Bulletin 97-01, as amended, the statement of budgetary resources and statement of financing are prepared on the combined basis. These consolidated financial statements are different from the financial reports also prepared by the NPS pursuant to OMB directives, used to monitor and control NPS use of budgetary resources.

Intragovernmental assets and liabilities arise from transactions with other federal agencies. Non-entity assets are not available to finance the NPS's operations, and consist of various fees that must be returned to Treasury.

The consolidated financial statements should be read with the realization that they are for a component of the United States Government, a sovereign entity. One implication of this is that liabilities cannot be liquidated without legislation that provides resources and legal authority to do so.

As allowed by FY 2001 OMB federal reporting guidance, the NPS is presenting comparative FY 2000 financial statements for only the consolidated balance sheet and consolidated statement of net cost. In FY 2001 the NPS has changed its method of presenting its net costs to align with its organizational structure and goals. It was not practical to restate FY 2000 in this format; therefore, the FY 2000 consolidated statement of net costs is presented on a separate page.

### **C. Revenues and Other Financing**

**Sources.** The National Park Service receives the majority of its required funding to support its programs through appropriations authorized by Congress. The NPS receives annual, multi-year, and no-year appropriations that may be used, within statutory limits, for operating and capital expenditures. The NPS also receives transfers of appropriated and trust funds from other agencies to support various ongoing program requirements.

Donated funds, reimbursements and grantor's requests, consistent with legislative authority, are available to the NPS when received. The National Park Service

has legislative authority to collect revenues through user charges for a variety of activities that may or may not recover the full cost of the service. However, prices based on full cost in some activities would likely reduce the quantity of services sold, therefore, any difference between revenue currently earned, and projected revenue based on a full cost pricing model, would not provide an accurate indication of lost revenue.

Through special legislation, the NPS is authorized to establish/increase recreation use fees, which are not intended to recover the full cost of the service. The laws mandate the use of a portion of these fees collected from park visitors for the following:

- **Public Law 104-134** gives the NPS authority through Fiscal Year 2001 to allow 100 demonstration sites to experiment with new or increased recreation fees. Parks participating in the demonstration program have until FY 2004 to spend at least 80 percent of the revenues collected at the site to help address unmet needs for visitor services, repairs and maintenance, and resource management. The remaining 20 percent can be spent at the discretion of the NPS. Recreation fees totaling \$132 million during FY 2001 and \$137.7 million during FY 2000 were transferred to an available receipt account and allocated to the participating parks in accordance with authorizing legislation.

- **Public Law 105-391** gives the NPS permanent authority to spend 100 percent of revenues collected for Concession Franchise Fees. Parks collecting these revenues are authorized to use 80 percent of the collected revenues for concession-related expenditures. The remaining 20 percent can be spent at the discretion of the NPS. During FY 2001 and FY 2000, revenues collected for Concession Franchise Fees totaled \$23.6 million and \$16.4 million respectively. Unlike the concession improvement accounts discussed in Note 1A, these franchise fees are reflected in the accompanying consolidated financial statements.

### **D. Fund Balance with Treasury and Cash.**

National Park Service receipts and disbursements are processed by Treasury. Fund Balance with Treasury represents the unexpended balances of appropriation ac-

counts, transfer accounts, deposit funds, and trust funds in NPS accounts which are available to pay current liabilities and to pay outstanding obligations. Cash balances held outside of Treasury are imprest funds. No cash is held in commercial bank accounts.

**E. Accounts Receivable.** Accounts receivable consist of amounts owed to the NPS by other federal agencies and the public. Accounts receivable typically arise from services provided on a reimbursable basis by the NPS to other government or non-government entities, or as a result of agreements with the NPS for remittance of fees from park concessioners. There are billed and unbilled accounts receivable amounts. Unbilled accounts receivable represent expenditures incurred by the NPS as a result of reimbursable agreements made with other entities that have yet to be notified of their indebtedness. Unbilled receivables are typically converted to billed receivables during the future operating period. Billed amounts represent those reimbursable NPS expenditures for which the benefiting entities have been notified of their indebtedness. Amounts due from the public are stated net of an allowance amount for uncollectible accounts that is based on an analysis of outstanding receivable balances and past collection experiences. No allowance is established for intragovernmental receivables, as they are considered fully collectible from other federal agencies.

**F. General Property, Plant, and Equipment.** The National Park Service is authorized to purchase structures and equipment under a number of appropriations to facilitate the administration of the NPS, and to preserve natural and cultural resources. The NPS capitalizes real property (e.g., buildings, structures, and facilities) and equipment with (1) an acquisition cost of at least \$500 thousand for buildings, and \$15 thousand for non-expendable equipment; (2) an estimated useful life of two years or more; (3) no intention to be sold in the ordinary course of operation; and (4) the intention of being used. Effective FY 2001, at the direction of the DOI, the capitalization threshold for equipment was changed from \$5 thousand to \$15 thousand, and the capitalization threshold for software was increased from \$5 thousand to \$100 thousand. The NPS determined that all of its

land meets the criteria for stewardship land, and therefore has assigned no value to such land.

All real property assets in service prior to FY 1996 are depreciated using the straight line method over a useful life of 20 years. Assets placed in service during FY 1996 and thereafter are depreciated using the straight line method where the useful life is based on four distinct asset classes. Fifteen-year property includes items such as roadside and trailside exhibits and markers, furnishings for historic structures, audiovisual installations, telephone distribution plants, and comparable assets used for two-way communication. Twenty-year property includes utility systems, sewage treatment facilities, non-permanent quarters, and other such assets. Residential property is buildings in which 80 percent or more is comprised of dwelling units (e.g., permanent quarters). These assets are depreciated over 27 years. Nonresidential property such as visitor centers, maintenance facilities, concessioner buildings, bridges, etc. is depreciated over 40 years. Equipment is depreciated using the straight line method. The useful life of equipment ranges from 5 to 25 years based on the Federal Supply Code. Software is depreciated over five years using the straight line method.

Donated Assets are recorded at the appraised value as of the date of the gift.

The National Park Service leases office space from the General Services Administration (GSA). The lease costs are comparable to commercial lease rates for similar properties.

**G. Liabilities.** Liabilities represent the amount of monies or other resources that are likely to be paid by the NPS as the result of a transaction or event that has already occurred. However, no liability can be paid by the NPS unless Congress and the President of the United States authorize payment through an appropriation. These statements include liabilities for which an appropriation has not been enacted, and thus are presented as liabilities not covered by budgetary resources, for there is no certainty that an appropriation will be enacted. Contingent liabilities are recorded in the accounting records when an event po-

tentially leading to the recognition of a liability is probable, and a reasonable estimate of the scope of the potential liability is available.

#### **H. Personnel Compensation and**

**Benefits.** Accrued payroll and benefits represent salaries, wages, and benefits earned by employees, but not disbursed as of the last day of the fiscal year. Annual leave is the earned amount of unused employee vacation time based on annual leave balances and current pay rates, and funded from current appropriations when used. Annual leave is recorded as an unfunded liability because financing will be obtained from the then-current appropriations when used. The NPS expenses sick and other types of leave when used, but does not accrue the related costs because it is not earned and does not vest.

**I. Retirement Plans.** National Park Service employees participate in one of two retirement systems. National Park Service employees hired prior to January 1, 1984, participate in the Civil Service Retirement System (CSRS) to which the NPS makes matching contributions equal to seven percent of basic pay. The Federal Employee Retirement System (FERS) went into effect on January 1, 1987, pursuant to Public Law 99-335. Employees hired after December 31, 1983, are automatically covered by FERS and Social Security. Employees hired before January 1, 1984, could have elected to either join FERS or remain in CSRS. A primary feature of FERS is that it offers a savings plan, to which the NPS automatically contributes one percent of pay and matches any employee contribution up to an additional four percent of pay. The National Park Service makes no matching contributions to the Thrift Savings Plan for CSRS employees. For employees hired since December 31, 1983, the NPS also contributes the employer's matching share for social security.

The National Park Service recognized the full cost of providing future pension and other retirement benefits (ORB) for current employees as required by Statement of Fed-

eral Financial Accounting Standards (SFFAS) No. 5, *Accounting for Liabilities of the Federal Government*. Full cost includes pension and ORB contributions paid out of NPS appropriations and costs financed by the Office of Personnel Management (OPM). The amount financed by OPM is recognized as an Imputed Financing Source on the Statement of Changes in Net Position. Reporting amounts such as plan assets, accumulated plan benefits, or unfunded liabilities, if any, is the responsibility of OPM.

**J. Income Taxes.** As an entity of the U.S. Government, the National Park Service is exempt from all income taxes imposed by any governing body, whether it is a federal, state, local, or foreign government, or a Commonwealth of the United States.

**K. Use of Estimates.** The preparation of consolidated financial statements requires management to make estimates and reasonable assumptions that affect the reported amount of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results invariably will differ from those estimates.

#### **NOTE 2. NON-ENTITY ASSETS**

Non-entity assets are those assets for which the National Park Service has no entity interest, that have been received or collected by the NPS, and that have been or will be subsequently transferred to Treasury. These amounts consist of certain recreation, entrance, and user fees collected at many of the parks. These fees are to be returned to Treasury following the end of each fiscal year, and therefore, are also reflected as a non-entity liability. All non-entity accounts receivable, when collected, are returned to Treasury and are stated net of allowances. The detail of NPS's non-entity assets is as follows :

**Non-Entity Assets**  
(Dollars in Thousands)

ASSETS	FY 2001	FY 2000
Non-entity Cash to be Transferred to Treasury	\$ 3,227	\$ 3,285
Non-entity Accounts Receivable, Net	533	914
<b>TOTAL NON-ENTITY ASSETS</b>	<b>\$ 3,760</b>	<b>\$ 4,199</b>

**NOTE 3. FUND BALANCE WITH TREASURY**

Fund Balance with Treasury as of September 30, 2001 and 2000, by major category is as follows:

**Fund Balance with Treasury**  
(Dollars in Thousands)

FUND BALANCE	FY 2001	FY 2000
Land and Water Conservation and Historic Preservation Funds	\$ 15,078,854	\$ 14,952,023
General/Appropriated Funds	1,115,776	897,319
Special Receipt Funds	555,252	317,039
Available Receipt Funds	375,290	317,990
Trust Funds	55,925	73,452
Undeposited Collections	486	-
	<b>\$ 17,181,583</b>	<b>\$ 16,557,823</b>
<b>STATUS OF FUND BALANCES</b>	<b>FY 2001</b>	<b>FY 2000</b>
Unobligated Balance		
Unavailable	\$ 15,341,504	\$ 15,053,199
Available	938,664	863,082
Obligated Balance Not Yet Disbursed	901,415	641,542
	<b>\$ 17,181,583</b>	<b>\$ 16,557,823</b>

L&WCF and HPF balances are unavailable receipt accounts. Appropriated funds include funds for the operation of the NPS, construction, historic preservation, fire emergency, etc. Special Receipts are funds appropriated from the L&WCF and HPF for NPS use. Available receipts consist of fee demonstration, maintenance of quarters, concession franchise funds, etc. Trust funds consist of Federal Highway construction funds and donations.

**NOTE 4. ACCOUNTS RECEIVABLE, NET**

The reported Accounts Receivable as of September 30 consists of monies owed to the NPS from other federal agencies and the public, as follows:

**Accounts Receivable, Net**  
(Dollars in Thousands)

ACCOUNT	FY 2001		FY 2000	
	Federal	Public	Federal	Public
Accounts Receivable, Billed	\$ 462	\$ 7,657	\$ 384	\$ 9,260
Allowance for Uncollectible Accounts	-	(1,447)	-	(810)
Net Accounts Receivable, Billed	462	6,210	384	8,450
Accounts Receivable, Unbilled	8,856	760	13,332	687
<b>TOTAL ACCOUNTS RECEIVABLE, NET</b>	<b>\$ 9,318</b>	<b>\$ 6,970</b>	<b>\$13,716</b>	<b>\$ 9,137</b>

**NOTE 5. ADVANCES TO OTHERS**

Advances to Others as of September 30, 2001, comprises amounts to DOI entities of \$1,948 thousand and amounts to non-federal entities of \$1,572 thousand.

As of September 30, 2000, there were outstanding federal advances of \$2,339 thousand to the Federal Highway Administration for work to be performed at Yosemite National Park under an interagency agreement, and \$1,723 thousand to the Bureau of Land Management for the purchase of fire equipment. In addition, there were outstanding advances of \$2,701 thousand to various federal agencies.

The non-federal entities balance is the total of the following:

<b>Advances to Others (Dollars in Thousands)</b>		
<b>TYPE OF ADVANCE</b>	<b>FY 2001</b>	<b>FY 2000</b>
Travel Advances	\$ 365	\$ 352
Grant Advances	1,207	471
<b>TOTAL</b>	<b>\$ 1,572</b>	<b>\$ 823</b>

The NPS policy is to disburse grants to states, territories, and Indian tribes to facilitate the accomplishment of its overall mission. The state grantee entities typically disburse funds to subrecipients to conduct specified activities.

**NOTE 6. CASH**

Cash represents the National Park Service imprest funds, or petty cash, held by imprest fund cashiers at NPS field units throughout the country.

**NOTE 7. LOAN RECEIVABLE**

Pursuant to the Wolf Trap Farm Park Act (16 U.S.C. 284c(b)), the Wolf Trap Foundation for the Performing Arts (the Foundation) and the NPS amended their Cooperative Agreement to set up a repayment schedule of loan principal (the loan is non-interest bearing) to the Foundation totaling \$8,560 thousand authorized by the Act of November 28, 1990 (P.L. 101-636: 104 Stat. 4586). The loan principal is to be repaid to the NPS within 25 years from June 1, 1991, the date of the Amendment. The loan principal is repaid in equal annual installments of approximately \$360 thousand, except for the first three annual payments of \$215 thousand per year. Repayment of the loan principal may include a credit of up to \$60 thousand, annually, for public service tickets given to entities exempt from taxation pursuant to section 501(c)(3) of the Internal Revenue Code of 1986. In FY 2001 and 2000, the NPS granted the full \$60 thousand credit to Wolf Trap. The monies that the NPS receives for repayment of this loan may be retained by the NPS until expended, in consultation with the Foundation, for the maintenance of structures, facilities, and equipment of the park. The remaining balance of this loan receivable is \$5,037 thousand and \$5,397 thousand as of September 30, 2001 and 2000, respectively.

**NOTE 8. GENERAL PROPERTY, PLANT, & EQUIPMENT, NET**

The National Park Service's general property, plant, and equipment categories as of September 30, with corresponding accumulated depreciation, are shown below:

**FY 2001 General Property, Plant, and Equipment, Net**  
**(Dollars in Thousands)**

Category	Cost	Accumulated Depreciation	Net Book Value
Buildings	\$ 422,896	\$ (158,431)	\$ 264,465
Structures/Facilities	501,568	(195,620)	305,948
Equipment	276,333	(162,320)	114,013
Construction-in-Progress	70,695	-	70,695
Software	662	(81)	581
<b>TOTAL</b>	<b>\$ 1,272,154</b>	<b>\$ (516,452)</b>	<b>\$ 755,702</b>

**FY 2000 General Property, Plant, and Equipment, Net**  
**(Dollars in Thousands)**

Category	Cost	Accumulated Depreciation	Net Book Value
Buildings	\$ 392,757	\$ (141,818)	\$ 250,939
Structures/Facilities	432,215	(174,817)	257,398
Equipment	356,752	(215,961)	140,791
Construction-in-Progress	148,412	-	148,412
Software	721	(318)	403
<b>TOTAL</b>	<b>\$ 1,330,857</b>	<b>\$ (532,914)</b>	<b>\$ 797,943</b>

In FY 2001 the personal property capitalization threshold was increased from \$5 thousand to \$15 thousand, and the software capitalization threshold was increased from \$5 thousand to \$100 thousand to comply with the DOI personal property and software threshold policy. Accordingly, the NPS has written off \$32,718 thousand worth of personal property and software from its books for financial statement reporting purposes.

**NOTE 9. LIABILITIES NOT COVERED BY BUDGETARY RESOURCES**

Liabilities not covered by budgetary resources are liabilities for which congressional action is needed before budgetary resources could be provided. The detail of NPS liabilities not covered by budgetary resources as of September 30 is as follows:

**Liabilities Not Covered By Budgetary Resources**  
**(Dollars in Thousands)**

LIABILITY	FY 2001	FY 2000
Intragovernmental		
Unfunded Accrued Liabilities	\$ 40,439	\$ 39,382
Accounts Payable to Treasury (Non-Entity)	3,760	4,199
Other	93	-
Total Intragovernmental	44,292	43,581
Federal Employees Compensation Act Liabilities	240,749	205,051
Unfunded Accrued Liabilities	75,329	70,819
Contingent Liabilities	9,652	12,264
<b>TOTAL LIABILITIES NOT COVERED BY BUDGETARY RESOURCES</b>	<b>\$ 370,022</b>	<b>\$ 331,715</b>

**NOTE 10. ACCOUNTS PAYABLE**

The reported amounts for accounts payable include liabilities to other federal agencies and to the public. Amounts owed for goods and services received by the NPS total \$140,442 thousand and \$103,335 thousand, which include contract holdbacks of \$816 thousand and \$1,110 thousand at September 30, 2001 and 2000, respectively.

**NOTE 11. ADVANCES FROM OTHERS**

The reported amounts include advances to the NPS from other federal agencies and from the public for a total of \$58,328 thousand and \$90,051 thousand at September 30, 2001 and 2000, respectively. These advances are for the purchase of land with Title V monies, and reimbursable agreements for state-federal-academic partnerships in research and graduate education for the management of natural resources, etc.

**NOTE 12. FEDERAL EMPLOYEES COMPENSATION ACT LIABILITIES**

The Federal Employees Compensation Act (FECA) provides income and medical cost protection to covered federal civilian employees insured on the job; employees who have incurred a work-related occupational disease; and beneficiaries of employees whose death is attributable to a job-related injury or occupational disease. The FECA program is administered by the U.S. Department of Labor (DOL), which initially pays valid claims and unpaid billings, and subsequently seeks reimbursement from the NPS for the paid claims. Federal Employees Compensation Act liabilities include two portions: (1) intragovernmental portion, amounting to \$40,439 thousand and \$39,382 thousand representing claims paid by DOL and billed to NPS that remain unpaid at September 30, 2001 and 2000, respectively; and (2) non-intragovernmental portion, or the actuarial FECA liability, amounting to \$240,749 thousand and \$205,051 thousand at September 30, 2001 and 2000, respectively. The actuarial FECA liability represents the liability for future workers' compensation benefits, which includes the expected liability for death, disability, medical, and miscellaneous costs for approved compensation cases. The liability is determined by the DOL annually, as of September 30, using a method that utilizes historical benefit payment patterns related to a specific incurred period to predict the ultimate payments related to that period. The projected annual payments are discounted to present value using OMB's economic assumptions for ten-year Treasury notes and bonds.

**NOTE 13. CONTINGENT LIABILITIES**

**Environmental** - The National Park Service is subject to loss contingencies pursuant to environmental laws and regulations that currently, and in the future, will require the NPS to take action to correct or ameliorate the effects on human health and the environment from releases of contaminants by the NPS or other parties. Contingencies may exist for various types of sites, including, but not limited to: (1) hazardous substance contaminated sites governed by the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA); (2) waste storage, treatment, and disposal facilities governed by Subtitle-C of the Resource Conservation and Recovery Act (RCRA); (3) leaking underground storage tanks governed by Subtitle-I of RCRA; (4) proper closure and clean up of solid waste landfills governed by Subtitle-D of RCRA; and (5) abandoned mining lands. The abatement of lead-based paint and asbestos is not considered as part of these contingencies.

The amount of future cleanup cost to the National Park Service is difficult to determine due to such factors as: (1) the unknown nature and extent of potential contamination; (2) the unknown timing and extent of the cleanup that may be required; (3) the determination of allocation of NPS liability in relation to other responsible parties; and (4) the extent to which such costs will be borne by or recovered from third parties. While the NPS has provided for environmental obligations that are probable and reasonably estimable, the amount of future costs is dependent on the results of activities in the period for which they are recognized. The NPS does not expect these costs to have a material effect on its consolidated financial position.

The National Park Service has identified 188 sites within 77 park units that are potentially impacted by petroleum or hazardous substance releases. At present, 91 of these sites are governed by RCRA, 100 are governed by CERCLA, and three sites involve both RCRA and CERCLA. These identified sites include the following response activities: site characterization and sampling, risk assessment, removal of the contaminant source, treatment and/or containment of contaminated water and soil, and ongoing monitoring.

The National Park Service analyzed its environmental cleanup liability in the aforementioned regulatory areas for FY 2001. Based upon this work and applicable accounting guidelines, the NPS reports a total future liability of \$6,808 thousand of which \$6,348 thousand constitutes the estimated cost of cleanup at sites for which the NPS has full liability, shared liability, or acknowledged liability, and \$460 thousand constitutes the cost of future studies at such sites. There is a possibility that the additional cost of cleanup at these sites could be \$8,000 thousand, but this figure is too speculative to record under the accounting protocol. Therefore, this possible liability is disclosed only. In addition, there are some sites for which the NPS liability is undetermined or in litigation at this time. With respect to these sites, the NPS discloses the possibility of liability in the range of \$14,803 thousand to \$126,059 thousand. These values represent a current analysis of verifiable NPS data and are subject to ongoing fluctuation.

**Judgments and Claims** - The National Park Service is a defendant in a number of lawsuits where the plaintiff is seeking monetary damages. In the opinion of NPS management and legal counsel, it is probable that an adverse outcome on certain cases could result, totaling approximately \$2,844 thousand. There are 15 reasonably possible claims with a payout range of zero to \$5 million in FY 2002.

#### **NOTE 14. UNEXPENDED APPROPRIATIONS**

The balance of unexpended appropriations at September 30 is comprised of the following amounts:

<b>Unexpended Appropriations (Dollars in Thousands)</b>		
<b>APPROPRIATION</b>	<b>FY 2001</b>	<b>FY 2000</b>
Unobligated		
Available	\$ 425,743	\$ 161,801
Unavailable	38,386	19,235
Undelivered Orders	431,895	503,195
<b>TOTAL UNEXPENDED APPROPRIATIONS</b>	<b>\$ 896,024</b>	<b>\$ 684,231</b>

#### **NOTE 15. OTHER FINANCING SOURCES**

The September 30, 2001, other financing sources consist of Title V and Title VI monies provided by the Department of the Interior, Office of the Secretary, of which \$38,432 thousand was used for the purchase of land, construction, and maintenance. Also, \$1,152 thousand was used to make computer program modifications.

**NOTE 16. BUDGET AUTHORITY**

The National Park Service budget authority is comprised of the following amounts:

<b>Budget Authority (Dollars in Thousands)</b>	
RESOURCES	AMOUNT
Appropriations	\$ 2,389,288
Transfers, Net	292,096
Contract Authority	53,278
<b>BUDGET AUTHORITY</b>	<b>\$ 2,734,662</b>

**NOTE 17. OPERATING LEASES**

The National Park Service leases various buildings from GSA. The NPS is not committed to continue to pay rent to GSA beyond the period occupied and may elect to terminate these leases with 120 days notice to GSA at any time. However, it is expected that the NPS will continue to occupy and lease office space from GSA in future years, and that the lease charges will be adjusted annually to reflect operating costs incurred by GSA. For the year ended September 30, 2001, payments to GSA for operating leases approximated \$34,228 thousand. The NPS also leases vehicles from GSA. The NPS may elect to terminate these leases with as little as one day's notice to GSA at any time. For the year ended September 30, 2001, payments to GSA for leasing of vehicles approximated \$7,061 thousand. All leases with GSA are considered operating leases.

**NOTE 18. TRANSFERS-SPECIAL RECEIPT ACCOUNTS**

Monies from certain special receipt accounts controlled by the Department of Interior are transferred to the NPS for the purchase of land, grants to state and local government, and clean up of hazardous material. The amounts transferred to and from the NPS as of September 30, 2001, are as follows:

<b>Transfers-Special Receipt Accounts (Dollars in Thousands)</b>	
MONIES TRANSFERRED TO NPS	FY 2001
Land and Water Conservation Fund	\$ 324,570
Historic Preservation Fund	79,272
Trust Fund and Other	2,178
SPECIAL RECEIPTS TRANSFERS IN	\$ 406,020
SUBTRACT: TRANSFERS FROM NPS TO OTHER AGENCIES	
Transfers Within the Department of the Interior	\$ 825,459
Transfer to the United States Department of Agriculture, Forest Service Agency	97,205
SPECIAL RECEIPTS TRANSFERS OUT	\$ 922,664
<b>NET TRANSFERS L&amp;WCF AND HPF</b>	<b>\$ 516,644</b>

**NOTE 19. STATEMENT OF NET COST**

Intragovernmental costs and earned revenues included in the statement of net costs are as follows:

<b>Statement of Net Cost (Dollars in Thousands)</b>				
COST	FY 2001		FY 2000	
	FEDERAL	PUBLIC	FEDERAL	PUBLIC
Intragovernmental gross cost	\$ 471,665	\$ 1,990,157	\$ 255,000	\$ 2,093,012
Intragovernmental earned revenue	(46,017)	(247,670)	(57,000)	(242,645)
<b>NET COST</b>	<b>\$ 425,648</b>	<b>\$ 1,742,487</b>	<b>\$ 198,000</b>	<b>\$ 1,850,367</b>

**NOTE 20. STATEMENT OF FINANCING**

The intent of the Consolidated Statement of Financing is to facilitate the reconciliation of the financial net cost of operations with obligations of budget authority. Because the accrual-based measures used in the Consolidated Statement of Net Cost differ from the obligation-based measures used in the Combined Statement of Budgetary Resources, this reconciliation is useful in understanding the differences.

The Consolidated Statement of Financing considers four types of activity: (1) resources used to fund activities, (2) resources used to fund items not part of the net cost of operations, (3) components of net cost of operations that do not require or generate resources during the reporting period, and (4) components of net cost that require future funding.

**NOTE 21. RESTATEMENT OF FY 2001 NET POSITION - BEGINNING OF PERIOD BALANCE**

The following adjustments have been made to the FY 2001 Net Position - Beginning of Period balance:

<b>Restatement of FY 2001 Net Position - Beginning of Period Balance (Dollars in Thousands)</b>	
ADJUSTMENTS	AMOUNT
FY 2001 Net Position - Beginning of Period, as originally presented	\$ 1,891,014
Land and Water Conservation Fund Restatement, Due to a Change in Reporting Entity	14,952,023
Fiscal Year 2000 Payments Related to Fire Suppression, Erroneously not Reported During Fiscal Year 2000	(30,030)
Erroneously Reported FY 2000 Contract Authority Receivable	(7,801)
<b>RESTATED FISCAL YEAR 2001 NET POSITION - BEGINNING of PERIOD</b>	<b>\$ 16,805,206</b>

The National Park Service has restated the accompanying Fiscal Year 2000 consolidated financial statements, as appropriate, to reflect these adjustments.

**NOTE 22. DIFFERENCES BETWEEN THE STATEMENT OF BUDGETARY RESOURCES AND THE BUDGET OF THE UNITED STATES GOVERNMENT (PRESIDENT'S BUDGET)**

The following chart identifies the differences between the FY 2001 Combined Statement of Budgetary Resources and the related amounts in the Budget of the United States Government, by line item. The negative amounts indicate that the Combined Statement of Budgetary Resources is greater than the Budget of the United States Government.

**Differences Between FY 2001 Combined Statement of Budgetary Resources and Budget of the United States Government (President's Budget)**  
**(Dollars in Millions)**

LINE ITEM	AMOUNT
Budgetary Resources:	
Budget Authority	\$ (132)
Unobligated Balances - Beginning of Period	12
Spending Authority from Offsetting Collections	1
Adjustments	(44)
<b>TOTAL BUDGETARY RESOURCES</b>	<b>\$ (163)</b>
Status of Budgetary Resources:	
Obligations Incurred	\$ (114)
Unobligated Balances - Available	207
Unobligated Balances - Unavailable	(256)
<b>TOTAL STATUS OF BUDGETARY RESOURCES</b>	<b>\$ (163)</b>
Outlays:	
Total Obligations Incurred	\$ (114)
Less: Spending Authority From Offsetting Collections and Adjustments	34
Obligations Incurred, Net:	(80)
Obligated Balance, Net - Beginning of Period	(70)
Less: Obligated Balance, Net - End of Period	35
<b>TOTAL OUTLAYS</b>	<b>\$ (115)</b>

The reasons for these differences are as follows. There are appropriations reported on the Combined Statement of Budgetary Resources that are not reported on the President's Budget, such as Federal Aid Highways and Wildfire Management, and there are appropriations reported on the President's Budget that are not reported on the Statement of Budgetary Resources, such as the Concession Improvement Account. In addition, Unobligated Unavailable balances are reported on the Combined Statement of Budgetary Resources, whereas they are not reported on the President's Budget.

There are further differences of \$30,030 thousand on Obligations Incurred, Unobligated Balances - Available, and Obligated Balance, Net - End of Period caused by an adjustment made to the Combined Statement of Budgetary Resources after the President's Budget had been transmitted.

**NOTE 23. COMBINED STATEMENT OF BUDGETARY RESOURCES**

There was an increase between Obligated Balance, Net - End of Period (FY 2000), and Net - Beginning of Period (FY 2001) in the amount of \$30,030 thousand. There was also a decrease between the Unobligated Balance, End of Period (FY 2000) and Unobligated Balance, Beginning of Period (FY 2001), of \$58,319 thousand.

The adjustment of \$30,030 thousand is the result of restating the FY 2000 financial statements as explained in Note 21. In addition, the change to the Unobligated Balance, Beginning of Period (FY 2001), includes a \$28,286 thousand transfer of prior year authority.

The differences between Spending Authority from Offsetting Collections in the Total Budgetary Resources section and Spending Authority from Offsetting Collections in the Outlays section are adjustments related to unavailable authority as follows:

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**Adjustment to the Combined Statement of Budgetary Resources  
(Dollars in Thousands)**

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LINE ITEM	AMOUNT
Spending Authority from Offsetting Collections	\$ 62,034
Adjustments	89,884
Adjustments Related to Unavailable Authority	24,632
<hr/>	
OUTLAYS	
SPENDING AUTHORITY FROM OFFSETTING COLLECTIONS	\$ <u>176,550</u>



Guadalupe Mountains National Park  
includes more than 45,000 acres of  
officially designated wilderness area.

NPS PHOTO BY S. SHEPTE

# Required Supplementary Stewardship Information

*The National Park Service is steward, for the people of the United States, to the land and resources that it administers.*

## STEWARDSHIP AND HERITAGE ASSETS

Forests, deserts, riparian areas, seashores, wilderness areas, archeological sites, museum collections, cultural landscapes, and historic buildings are among the many stewardship and heritage assets which the NPS has the responsibility to preserve and protect. Information regarding the deferred maintenance on stewardship and heritage assets is contained in this section.

Subsets of lands within the authorized boundaries of the National Park System can have additional stewardship asset designations such as *wilderness areas*, *wild and scenic rivers*, and *trails*. Stewardship areas such as wilderness areas may encompass lands owned by entities other than the National Park Service. Changes in NPS boundaries occur only when authorized by Presidential proclamations or by acts of Congress. While individual units of stewardship land can be improved, the condition of National Park System stewardship land as a whole is generally sufficient to support the NPS mission.

## NATIONAL PARK SERVICE LAND

The objective of acquiring land and interests in land is to preserve and protect, for public use and enjoyment, the historic, scenic, natural, and recreational values of congressionally authorized areas within the National Park System. Acquisition of land helps to meet the increasingly heavy visitor demand for federal recreation areas, conserves outstanding resources for public recreational use before they are converted to incompatible uses, and preserves the nation's natural and historic heritage.

The 385 units of the National Park System contain a total of 84,423,453.37 acres within their boundaries. Of that total, 78,936,581.84 acres are in federal ownership: 78,685,927.58 acres in fee simple title, and 250,654.26 acres in less-than-fee title (i.e., scenic easements). Non-federal land within the NPS is either privately owned (4,274,905.77 acres) or owned by state and local governments (1,211,965.76 acres). Subject to the availability of funds, privately owned land will be acquired when oppor-

## National Park System Units

Unit Type	Federal	Non-Federal	Total Acreage
International Historic Sites	28.44	16.46	44.90
National Battlefields	12,258.91	927.77	13,186.68
National Battlefield Parks	8,062.06	1,614.29	9,676.35
National Battlefield Sites	1.00	0.00	1.00
National Historic Sites	20,190.81	17,086.26	37,277.07
National Historical Parks	118,436.24	44,856.52	163,292.76
National Lakeshores	145,427.41	83,411.80	228,839.21
National Memorials	8,080.68	451.11	8,531.79
National Military Parks	35,813.60	3,026.63	38,840.23
National Monuments	2,566,193.02	176,779.88	2,742,972.90
National Parks	49,858,629.22	2,109,597.35	51,968,226.57
National Preserves	21,532,889.40	2,174,342.00	23,707,231.40
National Recreation Areas	3,388,374.06	303,494.08	3,691,868.14
National Reserves	11,026.67	22,099.16	33,125.83
National Rivers	312,055.67	112,218.40	424,274.07
National Scenic Trails	165,202.19	67,967.90	233,170.09
National Seashores	478,193.19	116,326.15	594,519.34
National Wild and Scenic Rivers	73,586.33	240,516.46	314,102.79
Parks (Other)	37,932.77	1,474.47	39,407.24
Parkways	164,200.17	10,664.84	174,865.01
<b>Total</b>	<b>78,936,581.84</b>	<b>5,486,871.53</b>	<b>84,423,453.37</b>

tunities for acquisition arise, or when an owner uses or threatens to use his property in a manner not compatible with park purposes. The National Park Service acquired 115,282.21 acres and disposed of 6.47 acres during fiscal year 2001. The accompanying table (page 63) summarizes ownership of acreage within park boundaries by type of park unit.

Stewardship lands and associated heritage assets are used and managed in accordance with the statutes authorizing their acquisi-

tion or directing their use and management. The National Park Service conducts various activities to preserve and protect land resources, and to mitigate the effects of activities conducted previously on or near parks that adversely affect the natural state of the land.

#### WILDERNESS AREAS

A *wilderness area* is a place where humans are visitors and they do not remain. These areas, which are generally greater than 5,000 acres, appear to have been affected

#### National Park System Wilderness Areas

State	Wilderness Area	Park Unit	Acreage
Alaska	Denali	Denali National Park	2,146,580
	Gates of the Arctic	Gates of the Arctic National Park	7,245,600
	Glacier Bay	Glacier Bay National Park and Preserve	2,659,876
	Katmai	Katmai National Park and Preserve	3,425,811
	Kobuk Valley	Kobuk Valley National Park	164,112
	Lake Clark	Lake Clark National Park	2,618,455
	Noatak	Noatak National Preserve	5,816,168
Arkansas	Wrangell-St. Elias	Wrangell-St. Elias National Park and Preserve	9,676,994
	Buffalo National River	Buffalo National River	34,933
Arizona	Chiricahua	Chiricahua National Monument	10,680
	Organ Pipe Cactus	Organ Pipe Cactus National Monument	312,600
	Petrified Forest	Petrified Forest National Park	50,260
	Saguaro	Saguaro National Park	70,905
California	Death Valley	Death Valley National Park	3,128,028
	Joshua Tree	Joshua Tree National Park	557,802
	Lassen Volcanic	Lassen Volcanic National Park	78,982
	Lava Beds	Lava Beds National Monument	27,970
	Mojave	Mojave National Preserve	695,200
	Philip Burton	Point Reyes National Seashore	25,370
	Pinnacles	Pinnacles National Monument	13,270
	Sequoia-Kings Canyon	Sequoia-Kings Canyon National Park	736,980
	Yosemite	Yosemite National Park	704,624
	Black Canyon of the Gunnison	Black Canyon of the Gunnison National Park	15,599
Colorado	Great Sand Dunes	Great Sand Dunes National Park	33,450
	Indian Peaks	Rocky Mountain National Park	2,917
	Mesa Verde	Mesa Verde National Park	8,100
Florida	Marjory Stoneman Douglas	Everglades National Park	1,296,500
Georgia	Cumberland Island	Cumberland Island National Seashore	8,840
Hawaii	Haleakala	Haleakala National Park	19,270
	Hawaii Volcanoes	Hawaii Volcanoes National Park	123,100
Idaho	Craters of the Moon	Craters of the Moon National Monument	43,243
Michigan	Isle Royale	Isle Royale National Park	132,018
Mississippi	Gulf Islands	Gulf Islands National Seashore	4,637
Nevada	Death Valley	Death Valley National Park	125,000
New Mexico	Bandelier	Bandelier National Monument	23,267
	Carlsbad Caverns	Carlsbad Caverns National Park	33,125
	Fire Island	Fire Island National Seashore	1,363
New York	Theodore Roosevelt	Theodore Roosevelt National Park	29,920
North Dakota	Congaree Swamp	Congaree Swamp National Monument	15,010
South Carolina	Badlands	Badlands National Park	64,144
South Dakota	Guadalupe Mountains	Guadalupe Mountains National Park	46,850
Texas	Shenandoah	Shenandoah National Park	79,579
Virginia	Mount Rainier	Mount Rainier National Park	228,480
Washington	Olympic	Olympic National Park	876,669
	Stephen Mather	North Cascades National Park	634,614
Total Acreage			44,046,895

primarily by the forces of nature, with human development substantially unnoticeable. A wilderness area also provides outstanding opportunities for solitude or a primitive and unconfined type of recreation.

In the United States, there are over 100 million acres of federal land designated *wilderness* by congressional legislation under the Wilderness Act of 1964. In addition to the National Park Service, the U.S. Forest Service, the U.S. Fish and Wildlife Service, and the Bureau of Land Management also manage wilderness areas. Because of the abundance of NPS wilderness acreage in Alaska,

the National Park Service manages the greatest proportion of wilderness areas, at 53 percent of the entire National Wilderness Preservation System. This includes over 44 million acres within 45 different wilderness areas. The park units in the accompanying table (*page 64*) have areas recognized as wilderness, although they may not be designated wilderness areas that have a permit system.

## NATIONAL WILD AND SCENIC RIVERS SYSTEM

Rivers must meet eligibility and suitability criteria before addition to the National Wild and Scenic Rivers System. For a river

### National Wild and Scenic Rivers System

Year (est.)	River	Wild	Scenic	Recreational	Total Miles
1968	St. Croix, MN & WI	-	181.0	19.0	200.0
1968	Wolf, WI	-	24.0	-	24.0
1972	St. Croix (lower), MN & WI	-	12.0	15.0	27.0
1976	St. Croix (lower), MN & WI	-	-	25.0	25.0
1976	Obed, TN	44.3	-	1.0	45.3
1976	Flathead, MT	97.9	40.7	80.4	219.0
1978	Rio Grande, TX	95.2	96.0	-	191.2
1978	Missouri, NE & SD	-	-	59.0	59.0
1978	Delaware (upper), NY & PA	-	25.1	50.3	75.4
1978	Delaware (middle), NJ & PA	-	35.0	-	35.0
1980	Alagnak, AK	67.0	-	-	67.0
1980	Alatna, AK	83.0	-	-	83.0
1980	Aniakchak, AK	63.0	-	-	63.0
1980	Charley, AK	208.0	-	-	208.0
1980	Chilikadotna, AK	11.0	-	-	11.0
1980	John, AK	52.0	-	-	52.0
1980	Kobuk, AK	110.0	-	-	110.0
1980	Mulchatna, AK	24.0	-	-	24.0
1980	Koyukuk (North Fork), AK	102.0	-	-	102.0
1980	Noatak, AK	330.0	-	-	330.0
1980	Salmon, AK	70.0	-	-	70.0
1980	Tinayguk, AK	44.0	-	-	44.0
1980	Tlikakila, AK	51.0	-	-	51.0
1981	Klamath, CA	-	-	1.0	1.0
1984	Tuolumne, CA	37.0	17.0	-	54.0
1986	Cache La Poudre, CO	12.0	-	-	12.0
1987	Merced, CA	53.0	14.0	14.0	81.0
1987	Kings, CA	49.0	-	6.5	55.5
1987	Kern, CA	27.0	-	-	27.0
1988	Bluestone, WV	-	10.0	-	10.0
1991	Missouri, NE & SD	-	-	39.0	39.0
1991	Niobrara, NE	-	76.0	28.0	104.0
1992	Great Egg Harbor, NJ	-	30.6	98.4	129.0
1993	Maurice, NJ	-	28.9	6.5	35.4
1994	Farmington (West Branch), CT	-	-	14.0	14.0
1996	Lamprey, NH	-	-	11.5	11.5
1999	Sudbury, Assabet, Concord, MA	-	14.9	14.1	29.0
2000	Lamprey, NH	-	-	12.0	12.0
2000	Wekiva, FL	31.4	2.1	8.1	41.6
2000	White Clay Creek, DE & PA	-	24.0	166.0	190.0
2000	Delaware (lower), NJ & PA	-	25.4	41.9	67.3
Total Miles		1,661.8	656.7	710.7	3,029.2

to be eligible, it must be in a free-flowing condition and possess one or more of the following values to a remarkable degree: scenic, recreation, geologic, fish and wildlife, historic, cultural, or other similar values. Suitability is based on the extent of public lands in the immediate environment of the river; funds required for acquisition, development, and management; and local or state interest in acting to protect and manage the river. Studies to determine eligibility and suitability may be the responsibility of either the Department of the Interior, Department of Agriculture, or the shared responsibility of both agencies. Wild and Scenic studies are presented to Congress with a Presidential recommendation. Congress then decides whether or not to add the river to the National Wild and Scenic Rivers System.

A second path to designation, under Section 2(a)(ii) of the Wild and Scenic Act (1968), is for a governor to request federal designation of a state-designated Wild and Scenic River, and for the Secretary of the Interior, after study, to designate that river. Seventeen rivers have entered the National Wild and Scenic Rivers System in this way.

There are 160 rivers in the National Wild and Scenic Rivers System. Each mile of each river is classified as wild, scenic, or recreational. There are many governing agencies of these rivers: Bureau of Land Management, U.S. Fish and Wildlife Ser-

vice, U.S. Forest Service, and the National Park Service. The National Park Service administers, either solely or in conjunction with other agencies, the rivers in the accompanying table (*page 65*).

#### NATIONAL TRAILS SYSTEM

The National Trails System, created by law in 1968, includes 14 national scenic trails, 8 national historic trails, over 800 national recreation trails, and 2 side/connecting trails. Of the 22 national scenic and historic trails, the National Park Service provides trail-wide coordination for 16 trails. Together, these 22 trail corridors measure almost 40,000 miles in combined lengths, and cross 56 national park areas and 90 national forests. In addition, hundreds of miles of trails cross lands under the care of the Bureau of Land Management.

The National Park Service administers 16 of 22 scenic and historic trails in the National Park System. In FY 2001 trail operations totaled \$6.1 million. This funded all the trail field offices, with some funds reserved for national program activities. An additional \$614,000 was available through the NPS Challenge Cost-Share Program for partnership projects, augmented by \$3 million from the program specifically for Lewis and Clark National Historic Trail projects. In FY 2001, partners matched almost 100 National Trail System cost-share projects three-to-one. Volunteers serving these trails provided nearly 600,000 hours of labor.

#### National Trails System

Year (est.)	Trail	Length (Miles)	States Crossed
1968	Appalachian NST	2,150	ME, NH, VT, MA, CT, NY, NJ, PA, MD, WV, VA, NC, TN, GA
1978	Oregon Trail	2,170	MO, KS, NE, WY, ID, OR
1978	Mormon Pioneer NHT	1,300	IL, IA, NE, WY, UT
1978	Lewis and Clark NHT	3,700	IL, MO, KS, NE, IA, SD, ND, MT, ID, WA, OR
1980	North Country NST	3,200	NY, PA, OH, MI, WI, MN, ND
1980	Overmountain Victory NHT	300	VA, TN, NC, SC
1980	Ice Age NST	1,000	WI
1983	Potomac Heritage NST	700	VA, MD, PA
1983	Natchez Trace NST	690	TN, AL, MS
1987	Santa Fe NHT	1,200	MO, KS, OK, CO, NM
1987	Trail of Tears NHT	1,800	TN, AL, MS, KY, IL, MO, AR, OK
1990	Juan Bautista de Anza NHT	1,200	AZ, CA
1990	California NHT	5,660	MO, KS, NE, WY, ID, UT, NV, CA, OR
1992	Pony Express NHT	1,970	MO, KS, NE, CO, WY, UT, NV, CA
1996	Selma to Montgomery NHT	54	AL
2000	Ala Kahakai NHT	175	HA
2000	El Camino Real de Tierra Adentro NHT (with BLM)	404	NM, TX

## HERITAGE AREAS

The heritage area concept offers an innovative method for citizens, in partnership with federal, state, and local governments, and nonprofit and private sector interests, to develop a plan and an implementation strategy focused on conserving the special qualities of the local cultural landscape.

*A national heritage area* is a place designated by Congress, where natural, cultural, historic, and recreational resources combined to form a cohesive, nationally distinctive landscape arising from patterns of human activity shaped by geography. Through the conservation of discrete, intact cultural landscapes, the National Park Service seeks to preserve, in partnership with the local citizenry, a portion of the patchwork of American landscapes that helps to define the nationally significant American identity. There is no federal ownership or management of the land or property.

## ARCHEOLOGICAL SITES

Archeological sites are the material remains, or physical evidence, of past human life or activities from prehistoric and historic periods. The significance of archeological sites is based upon their identity, age, location, and context in conjunction with their capacity to contain information for study using archeological methods and techniques. Nearly every unit of the Na-

tional Park System contains archeological sites. Examples include the prehistoric structures and roadways at Chaco Culture National Historical Park in New Mexico; the ancient earthen mounds and villages at Hopewell Culture National Historical Park in Ohio and Ocmulgee National Monument in Georgia; the early historic European sites in Virginia, such as Jamestown National Historic Site, or in Massachusetts, parts of Boston National Historical Park; and later historic period sites such as those at Independence National Historical Park in Pennsylvania.

The National Park Service estimates that as many as 1.5 million archeological sites may exist within units of the National Park System. About 63,000 of these have been identified, and approximately 55,700 are recorded in our national archeological database—the Archeological Sites Management Information System. The National Park Service has emphasized park inventories for archeological sites since 1992. About 1,000 to 2,000 new sites are identified annually, and known sites are revisited for further assessment.

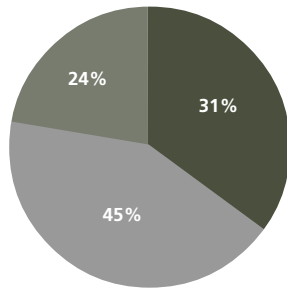
Standardized management information is collected for all sites and recorded in our national archeological database. Of the recorded sites for which condition information is available, 47 percent are in good

## National Heritage Areas

National Heritage Area	State
America's Agricultural Heritage Partnership (Silos and Smokestacks)	IA
Augusta Canal National Heritage Area	CA
Automobile National Heritage Area	MI
Cache La Poudre River Corridor	CO
Cane River National Heritage Area	LA
Delaware and Lehigh National Heritage Corridor	PA
Erie Canalway National Corridor	NY
Essex National Heritage Area	MA
Hudson River Valley National Heritage Area	NY
Illinois and Michigan Canal National Heritage Corridor	IL
John H. Chafee Blackstone River Valley National Heritage Corridor	MA/RI
Lackawanna Valley National Heritage Area	PA
National Coal Heritage	PA
Ohio and Erie Canal National Heritage Corridor	OH
Quinebaug and Shetucket Rivers Valley National Heritage Corridor	CT/MA
Rivers of Steel National Heritage Area	PA
Schuykill River Valley National Heritage Area	PA
Shenandoah Valley Battlefields National Historic District	VA
South Carolina National Heritage Corridor	SC
Tennessee Civil War Heritage Area	TN
Wheeling National Heritage Area	WV
Yuma Crossing National Heritage Area	AZ

## National Park Service Cultural Landscape Condition

■ Good Condition  
■ Fair Condition  
■ Poor Condition



Condition information is available for 454 cultural landscapes.

condition, 39 percent are in fair condition, and 14 percent are in poor condition. However, information regarding site condition is very incomplete, and available only for approximately 38 percent of the recorded sites. Efforts are under way to verify and validate existing condition information for archeological sites, and to assess known sites for which condition information presently is unavailable.

Most archeological sites on NPS land are preserved in place unless there is a need to excavate or otherwise disturb them. Sites typically are excavated when they will be damaged or destroyed by planned management actions, such as unavoidable construction. Excavations may be warranted when sites are being damaged or destroyed by uncontrollable natural or human causes, such as erosion or looting, and they cannot be stabilized or otherwise protected. Artifacts also are removed when justified for research or interpretive purposes. The data, artifacts, and other materials recovered from archeological sites are maintained as part of the NPS museum collection.

Based on projects identified as necessary in the NPS Project Management Information System, over \$76 million is needed for archeological inventory projects. Additional funds of \$84 million are needed for archeological preservation and protection projects.

### CULTURAL LANDSCAPES

A *cultural landscape* is a geographic area, including both natural and cultural resources, associated with a historic event, activity, or person. The National Park Service recognizes four types of cultural landscapes: historic designed landscapes, historic vernacular landscapes, historic sites, and ethnographic landscapes.

Cultural landscapes are inventoried, and basic management information summarizing significance, impacts, condition, and approved treatments is collected and maintained in the Cultural Landscapes Inventory (CLI). Information associated with the CLI is entered into the Cultural Landscapes Automated Inventory Management System (CLAIMS) to provide a computerized, analytical tool for assessing the information.

The inventory process includes four levels: Level O - Park Reconnaissance Survey; Level I - Landscape Reconnaissance Survey; Level II - Landscape Analysis and Evaluation; and Level III - Feature Inventory and Assessment. This four-level process facilitates identifying the potential scope of cultural landscapes in a systematic manner, establishing priorities for further inventory and research, and responding to specific park management needs. The four levels correspond to a varying degree of effort and detail contained in the inventory.

In FY 2001 each National Park Service region prepared a six-year prioritized list of inventory projects as an addendum to their CLI Strategic Plan. As of the end of FY 2001, 2,921 cultural landscapes had been entered into CLAIMS at the following levels: Level O - 2,189; Level I - 548; and Level II - 184. Of the 454 landscapes with condition information, 30.8 percent are in good condition, 45.4 percent are in fair condition, and 23.8 percent are in poor condition as of the end of Fiscal Year 2001.

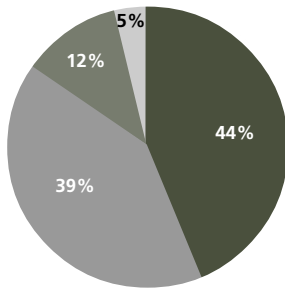
### HISTORIC AND PREHISTORIC STRUCTURES

The National Park Service defines a historic or prehistoric structure as “a constructed work . . . consciously created to serve some human activity.” Structures are usually immovable, although some have been relocated and others are mobile by design. They include buildings and monuments, dams, millraces and canals, nautical vessels, bridges, tunnels and roads, railroad locomotives, rolling stock and track, stockades and fences, defensive works, temple mounds and kivas, ruins of all structural types that still have integrity as structures, and outdoor sculpture.

Beginning in FY 1992 the NPS commenced a multi-year project to update the List of Classified Structures (LCS) for the estimated 26,000-27,000 park historic and prehistoric structures. The LCS is the primary computerized database containing information about structures in which the NPS has or plans to acquire any enforceable legal interest. Structures included in the LCS are either listed in or eligible for the National Register or are to be treated as cultural resources by law, policy, or decision reached through the planning process, even though they do not meet the National Register requirements.

### National Park Service Historic and Prehistoric Structure Condition

- Good Condition
- Fair Condition
- Poor Condition
- Unknown Condition



Condition information is available for 26,233 historic and prehistoric structures.

As of the end of FY 2001 data on 26,233 historic and prehistoric structures in 378 parks have been updated. In the past fiscal year 929 structures were added to the inventory. Structures are deleted from the inventory as a result of physical destruction based upon a planned management action, or natural occurrence, or inventory error.

The condition of the historic and prehistoric structures (as shown in the accompanying chart) is continually threatened by weather, structural deterioration, erosion, and vandalism. Of the 26,233 structures, 44.0 percent are in good condition, 39.0 percent are in fair condition, 12.4 percent are in poor condition, and 4.6 percent are of unknown condition or were removed from the LCS as of the end of FY 2001.

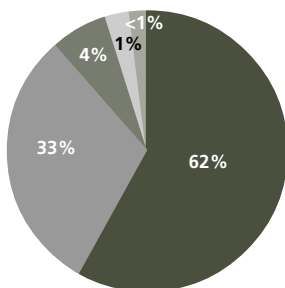
The National Park Service takes actions such as maintenance, repair, rehabilitation, and/or changes the use of the structure to mitigate adverse effects to preserve and protect the structures for interpretation and continued use. Unfunded costs associated with treatments that have been approved by park planning documents for 26,233 inventoried structures total \$1,199.5 million as of the end of FY 2001. Of these costs, \$846.8 million (70.6 percent) is for rehabilitation and preservation, and \$230.2 million (19.2 percent) is for stabilization, with the remaining 10.2 percent used for other prescribed treatments.

The NPS acquires and documents collections that support the mission and scope of each park, and uses those collections to increase public enjoyment and understanding of our heritage, and its associated values. Parks use the documentation associated with collections to make informed decisions about interpreting and managing park resources. The public has access to these collections through exhibits, interpretive programs, publications, World Wide Web sites, films, and videos. In addition, for research purposes, the public can directly access information in collections catalogs and other databases, as well as access the collections themselves. Typically, parks respond to over 47,000 public research requests, and park visitors view nearly 332,000 objects on exhibit annually.

In addition to collections stored at park units, six National Park Service cultural resource centers manage NPS museum collections. These facilities are the Southeast Archeological Center in Tallahassee, Florida; the Midwest Archeological Center in Lincoln, Nebraska; the Western Archeological and Conservation Center in Tucson, Arizona; the Museum Resource Center in Greenbelt, Maryland; the Alaska Regional Curatorial Center in Anchorage; and the Northeast Cultural Resources Center in Lowell, Massachusetts. Some of the collections are on loan to other federal agencies and 142 non-federal institutions.

### National Park Service Museum Collections

- Archives - 55,904,029 documents
- Archeology - 29,368,789 objects
- History - 3,509,527 objects
- Biology - 1,216,861 Specimens
- Other - 28,838 ethnology objects, 178,997 paleontology specimens, 51,485 geology specimens



NPS museum collections contain a total of 90,258,526 objects.

### MUSEUM COLLECTIONS

At the end of fiscal year 2000 (the most current information available), National Park Service museum collections totaled over 90 million items, 34 million objects and specimens, and 56 million archival documents. These collections support the interpretation of resources and significant events associated with NPS lands. The collections include items ranging from historic furnishings in the home of John Adams, to flags that flew over Fort Sumter, to Thomas Edison's handwritten notes on inventions, to the tools and furnishings of a working ranch in Montana, to botanical specimens from Yosemite, and archeological items from Mesa Verde. These museum collections are important not only individually, but also because of their direct association with the nationally significant sites within the National Park System.

In Fiscal Year 2000 the NPS acquired over 9.7 million items through gifts, exchanges, purchases, field collections, and transfers. Acquisitions were in the disciplines of archeology, ethnology, history, archives, biology, paleontology, and geology. The NPS deaccessioned 26,173 items through exchanges, transfers, conveyances, losses, thefts, repatriation under the Native American Graves Protection and Repatriation Act, and other means.

Sixty-two percent of the objects and specimens and 33 percent of the archives are cataloged as of FY 2000. At current cataloging rates and funding levels, the collection will be cataloged by 2022.

Using the standardized National Park Service Checklist for Preservation and Protection of Museum Collections, parks assess the status of museum storage and exhibits



Museum specialist prepares Franklin D. Roosevelt's shoes for storage as part of the artifact rehousing project for Roosevelt-Vanderbilt Historic Sites.

NPS PHOTO

relative to professional standards for environment, security, fire protection, house-keeping, and planning. Parks take corrective actions as needed. Only 66 percent of the conditions in park museum collections meet these professional standards. An estimated 2,128 deficiencies were corrected in parks in FY 2000. At current funding levels for correction of deficiencies, 95 percent of the standards will be met in 2033.

National Park Service policy requires that parks complete collection condition surveys for all collections; however, this information is not quantified or aggregated at a Servicewide level. In Fiscal Year 1998 the NPS designed a strategy to quantify condition information for collections and give priority to treatment of the most fragile, important, and heavily used items. Based on extrapolated data from 118 park resource management plans and the 1997 survey of cellulose nitrate film in NPS collections, conservation survey and treatment needs are estimated at over \$46 million.

## NATIONAL HISTORIC LANDMARKS

The Historic Sites Act of 1935 authorized the Secretary of the Interior to recognize historic places judged to have exceptional value to the nation. Once the Secretary designates a *national historic landmark*, its owners can apply for a landmark plaque. Owners are eligible to receive technical advice and assistance from preservation experts if needed.

National historic landmarks are identified by theme, and special studies are prepared or overseen by NPS historians and archeologists. Landmark designation is the Federal Government's official recognition of the national importance of historic properties. Currently there are over 2,300 places with landmark designation.

On January 3, 2001, Secretary of the Interior Bruce Babbitt approved designation of 20 properties in 16 states as national historic landmarks. Secretary Babbitt also approved one boundary revision and name

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**National Historic Landmarks**


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State	National Historic Landmark	Location
<b>JANUARY 3, 2001 DESIGNATIONS</b>		
Arkansas	Daisy Bates House	Little Rock, AR
California	Baldwin Hills Village	Los Angeles, CA
Colorado	Rocky Mountain National Park Administration Building	Estes Park, CO
District of Columbia	Howard University	Washington, DC
	Andrew Rankin Memorial Chapel	Washington, DC
	Frederick Douglass Memorial Hall	Washington, DC
	Founder's Library	Washington, DC
Indiana	First Christian Church	Columbus, IN
	Mabel McDowell Elementary School	Columbus, IN
Louisiana	Magnolia Plantation	Natchitoches Parish, LA
	Oakland Plantation	Natchitoches Parish, LA
Massachusetts	Cape Ann Light Station	Essex County, MA
Mississippi	Hester Site	Monroe County, MS
	Charles McLaren House (Riverview)	Columbus, MS
New York	Gerrit Smith Estate	Peterboro, NY
North Carolina	Guilford Court House Battlefield	Greensboro, NC
	Wright Brothers Memorial Visitor Center	Kill Devil Hills, NC
Oklahoma	Bizzell Library	Norman, OK
South Carolina	Charlesfort-Santa Elena Site	Parris Island, SC
Tennessee	Ryman Auditorium	Nashville, TN
Utah	Quarry Visitor Center	Uintah County, UT
Vermont	Shelburne Farms	Shelburne, VT
Wisconsin	Wisconsin State Capitol	Madison, WI
<b>JANUARY 3, 2001 BOUNDARY EXPANSIONS AND NAME CHANGES</b>		
New York	Tubman Home for the Aged	Auburn, NY
	Harriet Tubman Residence	Auburn, NY
	Thompson A.M.E. Zion Church	Auburn, NY
<b>JANUARY 3, 2001 IMPROVED DOCUMENTATIONS</b>		
Michigan	Mackinac Island	Mackinac County, MI
New Mexico	Palace of the Governors	Santa Fe, NM
<b>JANUARY 3, 2001 DETERMINATION OF ELIGIBILITY</b>		
Alabama	Old Mobile Site	Mobile, AL
<b>JANUARY 3, 2001 WITHDRAWAL OF DESIGNATION</b>		
Pennsylvania	Charles B. Dudley House	Altoona, PA
<b>AUGUST 7, 2001 DESIGNATIONS</b>		
Alaska	Sheldon Jackson School	Sitka, AK
California	Fresno Sanitary Landfill	Fresno, CA
Connecticut	Samuel Wadsworth Russell House	Middletown, CT
District of Columbia	John Philip Sousa Junior High School	Washington, DC
Illinois	Nicholas Jarrot Mansion	Cahokia, IL
	S.R. Crown Hall	Chicago, IL
Maryland	J.C. Lore Oyster House	Solomons, MD
Massachusetts	Gibson House	Boston, MA
New York	Dutch Reformed Church, Newburgh	Newburgh, NY
	<i>Modesty</i>	West Sayville, NY
	Rudolph Oyster House	West Sayville, NY
North Carolina	Bethania Historic District	Bethania, NC
Pennsylvania	Merchants' Exchange Building	Philadelphia, PA
Texas	Randolph Field Historic District	Bexar County, TX
Virginia	New Kent School and George W. Watkins School	New Kent County, VA
<b>AUGUST 7, 2001 BOUNDARY EXPANSION AND NAME CHANGE</b>		
California	Coso Rock Art District	Inyo County, CA
<b>AUGUST 7, 2001 WITHDRAWALS OF DESIGNATION</b>		
Missouri	<i>USS Inaugural</i>	St. Louis, MO
Ohio	Hotel Breakers	Sandusky, OH
Texas	<i>USS Cabot</i>	Port Brownsville, TX

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**Preliminary paleontological surveys were initiated at Joshua Tree National Park.**

NPS PHOTO BY R. SCHENDEL

change to a previously designated national historic landmark, and additional documentation on two existing designated national landmarks. One property was determined eligible for designation as a national historic landmark. The designation of one national historic landmark was withdrawn.

On August 7, 2001, Secretary of the Interior Gale A. Norton approved the designation of 15 properties in 12 states as national historic landmarks. At that time, Secretary Norton also approved one boundary revision and name change to a previously designated national historic landmark, and withdrew the designation of three national historic landmarks. The accompanying chart (*page 71*) lists these recent Secretarial actions.

## **PALEONTOLOGICAL SITES**

While only eight National Park Service units were established primarily for their paleontological resources, significant fossil resources have been documented in 150 NPS areas. These areas preserve a diversity of fossils including plants ranging from microscopic algae to petrified logs and animals ranging from marine shells to dinosaurs, tracks, and burrows. Many of the fossil resources protected and interpreted within NPS units are of international significance and are critical to our understanding of the history of life on earth. National Park Service paleontologists and rangers often work with researchers from museums and universities to understand such fossil resources.

In order to enhance the quality of protection of fossil resources within National Park System units, the Geologic Resources Division (GRD) has established a position of program coordinator for paleontology. During FY 2000 scoping sessions were held at a number of parks in Alaska: Yukon-Charley Rivers, Katmai, Aniakchak, and Denali. At Wrangell-St. Elias, a preliminary paleontological reconnaissance was conducted to evaluate the Frederika Formation for Miocene fossils. Surveys at Arches and Zion in Utah have been completed, and final reports are being prepared for publication. Preliminary surveys were initiated at Joshua Tree and Santa Monica Mountains in California, Curecanti in Colorado, and at Big Bend in Texas. These projects are designed to assist parks in achieving the Servicewide performance goal for paleontological resources. These efforts are just the beginning of the GRD's long-term goal to assist park managers to manage and document paleontological resources at parks with fossils.

The GRD Paleontology Program also provided technical assistance to Channel Islands to aid in obtaining carbon 14 dates on newly discovered pygmy mammoths and to assist Petrified Forest in developing a plan to protect petrified wood from theft. The program has also worked to assist Yellowstone in mitigating impact to fossils during road construction at the east entrance. Big Bend also benefited from the program during the transfer of park dinosaur fossils to the Dallas Museum for storage and study. Assistance was also provided to Fossil Butte for the transfer of Green River Formation plant fossils from Brigham Young University to the park. The GRD paleontology program also worked with other federal agencies such as the Bureau of Reclamation to conduct paleontological inventories at Red Fleet and Steinnaker Reservoirs in Utah.

During FY 2001 no new parks were authorized primarily for their paleontological resources, and none were de-authorized.



Mount Rushmore National Memorial features the colossal granite sculpture of four U.S. Presidents.

COREL CORP. PHOTO

## Required Supplementary Information

*Aging facilities, increased visitation, and the addition of new sites and facilities have created increased costs for day-to-day operation, limiting the funds available for maintenance.*

### **DEFERRED MAINTENANCE REPORT, FISCAL YEAR 2001**

The National Park Service owns, purchases, and constructs assets such as roads, trails, camping and recreational structures, buildings and houses, utility systems, marine and dock structures, signs and information structures, and special features assets such as monuments, statues, memorials, fortifications, and viewing structures. In every category of these assets, there are examples of both *general* and *heritage* facilities.

While the National Park Service has acquired and maintained assets throughout its 84-year history, several factors have led to a backlog of maintenance tasks and a significant deterioration of facility conditions because of that backlog. One cause of this maintenance backlog stems from limited operational funding for facilities acquired through donation, and transfer. Aging facilities have created increased costs for day-to-day operation, limiting the funds available for maintenance. Additionally, increased visitation and addition of new park sites and facilities have also added to operational costs at the expense of maintenance activities.

The National Park Service defines “deferred maintenance” as maintenance that was not performed when scheduled or planned. This definition originates in the *U.S. Department of the Interior Facilities Maintenance Assessment and Recommendations, February 1998*. Continued deferral of maintenance items will result, over time, in facility deficiencies that must be corrected, often at a higher cost than the original maintenance cost.

The following estimates are for the correction of facility deficiencies that are the result of deferred maintenance decisions. The estimates were compiled from several sources. These include a search of the Project Management Information System (PMIS) database, for all facility maintenance projects for which the National Park Service has identified a current need. PMIS contains detailed cost estimates related to condition assessments; these can include a range of formalized cost assessments to professional judgment estimates. The National Park Service continues to refine the asset type information contained in PMIS to allow for better reporting.

The estimated figure for deferred maintenance as related to housing was based on the Quarters Management Information System data collected during FY 2001. Estimates for Paved Roads and Bridges deferred maintenance projects were compiled from the 1998-2001 and 1999-2001 Federal Lands Highways Program *Roads Inventory Program and Bridge Inventory Program*, respectively. The estimated deferred maintenance need for dams originated from the current Dams Inventory.

Present assessment information on dams indicate that of the 482 operational National Park Service dams, 95 are in good condition, 192 are in fair condition, 138 are in poor condition, and 57 do not have a condition assessment. Formal Dam Safety Inspections, a type of condition assessment, are conducted every three years by the Bureau of Reclamation for the larger, more critical NPS dams. However, the parks are responsible for ensuring that annual informal inspections are performed for all NPS dams, and necessary routine maintenance is performed. These estimates are as follows:

**Condition Assessments Estimates  
(dollars in thousands)**

PROJECT	GENERAL	HERITAGE
PMIS Deferred Maintenance Projects	\$ 1,406,766	\$ 403,754
Employee Housing Deferred Maintenance Projects <sup>1</sup>	129,600	0
Paved Roads and Bridges Deferred Maintenance Projects <sup>2</sup>	3,403,078	0
Dams Deferred Maintenance Projects	95,045	0
<b>TOTAL DEFERRED MAINTENANCE</b>	<b>\$ 5,034,489</b>	<b>\$ 403,754</b>

The National Park Service recognizes that these existing sources of information are based on current database collection systems, as the actual cost of correcting deferred maintenance will not be known until all 385 parks develop a current asset inventory and conduct condition assessments, identifying deficiencies and developing valid cost estimates. The National Park Service received \$1.0 million in FY 2001 to begin conducting condition assessments. In FY 2002 the National Park Service anticipates receiving \$3.5 million to continue conducting condition assessments.

The latest inventory data available show that the National Park Service manages approximately 8,000 miles of roads (including 5,456 miles of paved roads), 1,804 bridges and tunnels, 763 miles of paved trails, 12,250 miles of unpaved trails, 7,580 administrative and public use buildings, 5,771 historic buildings, 4,389 housing units (which includes approximately 1,000 historic housing units), 493 water treatment plants, 187 wastewater treatment systems, 270 electrical generating systems, 160,000 signs, 8,505 monuments, and many other special features.

The National Park Service has submitted budget requests for FY 2002 to reduce deferred maintenance projects as follows:

**FY 2002 Deferred Maintenance Budget Requests  
(dollars in thousands)**

PROJECT	AMOUNT
Repair and Rehabilitation Program	\$ 75,349
Housing Projects (Part Emergency, Unscheduled, and Housing Projects)	15,000
Dams Projects	2,700
<b>TOTAL BUDGET REQUESTS</b>	<b>\$ 93,049</b>

In addition to the \$93,049 thousand requested in FY 2002, Public Law 105-178 has made available \$330 million<sup>3</sup> to the National Park Service for transportation projects for Fiscal Years 2002-2003.

### <sup>1</sup> Deferred Housing Costs

Based on Quarters Management Information System (QMIS) data collected during FY 2001, the NPS had 1,761 housing units in fair or poor condition. Using the average repair costs from the formalized condition assessments of \$25,000 to \$40,000 per unit provides a backlog or deferred maintenance figure ranging from \$46.2 to \$74 million (including a 5% contingency).

During FY 2001 the NPS allocated funding to rehabilitate seven housing units rated as poor or fair, and bring them to a good condition. This would reduce the numbers of fair and poor condition housing units to 1,754. Funds also were allocated to remove 12 poor condition-housing units. This would further reduce the numbers of fair and poor condition housing units to 1,742. Using the same average rehabilitation costs per unit, the current backlog or deferred maintenance figure would range from \$45.8 million to \$73.2 million. The mid-range figure for deferred housing rehabilitation is \$59.5 million.

The National Park Service has identified 285 existing trailers in five regions that are potentially eligible for replacement. Using an average replacement cost of \$200,000 to \$300,000 for design, site work, and construction costs, per trailer results in estimated replacement costs ranging from \$59.9 to \$89.3 million (including a 5% contingency).

Funds were allocated during FY 2001 to replace 18 poor condition trailer units in five different park areas in the Intermountain and Pacific West regions. This further reduces the numbers of existing units to be replaced to 267 trailers. Using the same average replacement cost per trailer results in replacement costs ranging from \$56.1 to \$84.1 million. The mid-range figure for deferred trailer replacement is \$70.1 million.

While these are not exact projections, they do present the magnitude of the National Park Service housing backlog. The NPS will continue to revise the projected deferred maintenance figure as the funds are allocated for trailer replacement, housing removal and housing rehabilitation projects. As the condition assessment process continues, more accurate data will become available.

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#### **Total Deferred Maintenance from Housing Rehabilitation and Trailer Replacement (dollars in thousands)**

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PROJECT	AMOUNT
Housing Rehabilitation (1,742 units)	\$ 59,500
Trailer Replacement (267 trailers)	70,100
<b>TOTAL DEFERRED MAINTENANCE</b>	<b>\$ 129,600</b>

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### <sup>2</sup> Roads and Bridges

The Federal Highway Administration (FHWA) presently has completed data collection and quality checks for 4,874.72 miles or 90 percent of 5,456 paved roadway miles within the National Park Service road system. Meanwhile, data for these 4,874.72 miles of roads were collected from parks across the NPS and represent a sound diversity sampling of the total network. The cost to upgrade the 4,874.72 miles of roads in parks with good, fair, and poor condition to excellent condition would cost \$2,151,116,000. Roadway improvement cost multipliers were based on actual regional construction project awards over the past several years. To provide a total Systemwide estimate of deferred maintenance, FHWA extrapolated to the total system  $(\$2,151,116,000 / 4,874.72 \text{ mile}) * (5,456 \text{ total system paved miles} - 4,874.72 \text{ surveyed paved miles} = \$256,368,899)$ . Accordingly, adding \$2,151,116,000 (90% of surveyed system deferred cost) + \$256,368,899 (10% unsurveyed extrapolated estimate) gives a total of \$2,407,484,899 for construction needs only. As the last step, please note that \$2,407,484,899 was increased to include an estimate for the design, construction supervision, and contingency costs which runs approximately 35 percent of net construction

to bring the total estimate to \$3,250,104,614. This figure does not include parking lots, which should be available for the next fiscal year's deferred maintenance disclosure. This figure represents the cost to bring the NPS road system to excellent condition, which is a planning number for articulating the magnitude of the NPS deferred maintenance backlog. In actuality, the cost depends on the identification of an optimum level of service and condition that is supported, both scientifically and economically, while still providing an enjoyment and convenience ride to the traveling public. The FHWA and NPS are working towards meeting this challenge and plan to provide this additional estimate in the next fiscal year's deferred maintenance disclosure.

On a two-year cycle, the FHWA inspects 1,804 structures such as walking, vehicular, and railroad structures (both public and administrative) of all types including culverts, tunnels, and trail bridges. In developing bridge cost estimates, the FHWA separates costs into maintenance, rehabilitation, and reconstruction. After evaluation of historic contract award data, FHWA developed factors of two to three times the cost to represent more closely the true costs for maintenance, rehabilitation, and reconstruction. For example, rehabilitation and reconstruction costs are basically estimates for labor and materials only. These costs do not consider, for example, size of project, construction award atmosphere, traffic control, approach work, and remoteness of site, which all can greatly influence the cost. As the last step, please note that \$113,313,972 was increased to include an estimate for the design, construction supervision, and contingency costs which runs approximately 35 percent of net construction, bringing the total estimate to \$152,973,862.

### **<sup>3</sup> Transportation Equity Act**

The Transportation Equity Act for the 21st Century (TEA-21) authorizes the Park Roads and Parkways Program \$165 million annually for three categories:

- a. Category I - road and bridge repair, rehabilitation and reconstruction
- b. Category II - completion of Congressionally authorized parkway gaps
- c. Category III - alternative transportation systems.

TEA-21, section 1102(f) reduces the program 10-15% annually, causing a significant ripple effect on available funds for project construction. Between FY 1998 and 2001, the program underwent a reduction of \$60.27 million and is projected to be reduced by as much as \$100 million by the end of the TEA-21 in 2003.

**Department of the Interior, National Park Service**  
**Required Supplementary Information**  
**Schedule of Budgetary Resources by Major Budget Account**  
**For the Year Ended September 30, 2001**  
**(Dollars in Thousands)**

	Operation of the NPS	Construction	Trust	Other	Total
<b>Budgetary Resources:</b>					
Budget Authority	\$ 1,396,526	\$ 348,585	\$ 79,962	\$ 909,589	\$ 2,734,662
Unobligated Balances - Beginning of Period	51,749	335,791	52,824	465,575	905,939
Spending Authority From Offsetting Collections	15,171	80,817	-	(33,954)	62,034
Adjustments	40,532	34,906	(10,219)	24,645	89,864
<b>TOTAL BUDGETARY RESOURCES</b>	<b>\$ 1,503,978</b>	<b>\$ 800,099</b>	<b>\$ 122,567</b>	<b>\$ 1,365,855</b>	<b>\$ 3,792,499</b>
<b>Status of Budgetary Resources:</b>					
Obligations Incurred	\$ 1,457,415	\$ 374,818	\$ 52,324	\$ 706,628	\$ 2,591,185
Unobligated Balances - Available	17,251	425,281	6,422	489,710	938,664
Unobligated Balances - Unavailable	29,312	-	63,821	169,517	262,650
<b>TOTAL STATUS OF BUDGETARY RESOURCES</b>	<b>\$ 1,503,978</b>	<b>\$ 800,099</b>	<b>\$ 122,567</b>	<b>\$ 1,365,855</b>	<b>\$ 3,792,499</b>
<b>Outlays:</b>					
Obligations Incurred	\$ 1,457,415	\$ 374,818	\$ 52,324	\$ 706,628	\$ 2,591,185
Less: Spending Authority From Offsetting Collections and Adjustments	(64,929)	(116,287)	(2,386)	7,052	(176,550)
<b>Obligations Incurred, Net</b>	<b>1,392,486</b>	<b>258,531</b>	<b>49,938</b>	<b>713,680</b>	<b>2,414,635</b>
Obligated Balance, Net - Beginning of Period	285,184	160,426	27,910	205,431	678,951
Less: Obligated Balance, Net - End of Period	(312,313)	(216,449)	(31,890)	(385,446)	(946,098)
<b>TOTAL OUTLAYS</b>	<b>\$ 1,365,357</b>	<b>\$ 202,508</b>	<b>\$ 45,958</b>	<b>\$ 533,665</b>	<b>\$ 2,147,488</b>

## Audit Opinion



Fort McHenry National Monument and Historic Shrine preserves the War of 1812 fort whose defense inspired Francis Scott Key to write "The Star Spangled Banner."

NPS PHOTO



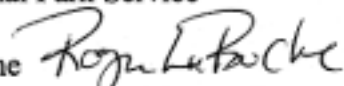
## United States Department of the Interior

OFFICE OF INSPECTOR GENERAL  
Washington, D.C. 20240

MAR 15 2002

## Memorandum

To: Director, National Park Service

From: Roger La Rouché   
Assistant Inspector General for AuditsSubject: Independent Auditors' Report on the National Park Service's Financial Statements for  
Fiscal Years 2001 and 2000 (No. 2002-I-0019)

We contracted with KPMG LLP, an independent certified public accounting firm, to audit the National Park Service's (NPS) financial statements as of September 30, 2001 and for the year then ended. The contract required that KPMG conduct its audit in accordance with the *Government Auditing Standards* issued by the Comptroller General of the United States of America, Office of Management and Budget Bulletin 01-02, *Audit Requirements for Federal Financial Statements*, and the General Accounting Office/President's Council on Integrity and Efficiency *Financial Audit Manual*.

In connection with the contract, we monitored the progress of the audit at key points and reviewed KPMG's report and related working papers and inquired of their representatives. Our review, as differentiated from an audit in accordance with *Government Auditing Standards*, was not intended to enable us to express, and we do not express, opinions on the NPS's financial statements or on conclusions about the effectiveness of internal controls or on conclusions about compliance with laws and regulations. KPMG is responsible for the auditors' report (Attachment 1) and for the conclusions expressed in the report. However, our review disclosed no instances where KPMG did not comply in all material respects with *Government Auditing Standards*.

In its audit report dated January 18, 2002, KPMG stated that in its opinion the NPS's financial statements for fiscal years 2001 and 2000 presents fairly, in all material respects, the financial position of the NPS as of September 30, 2001 and 2000 and the net cost of operations for the years then ended, and its changes in net position, budgetary resources, and reconciliation of net cost of operations to budgetary obligations for the year ended September 30, 2001 in conformity with accounting principles generally accepted in the United States of America.

KPMG found seven reportable conditions related to internal controls and financial operations three of which are considered to be material weaknesses. With regard to compliance with laws and regulations, KPMG found NPS to be noncompliant with a portion of the Federal

Financial Management Improvement Act. Specifically, NPS's financial management systems did not meet Federal financial management systems requirements.

In the February 14, 2002 response (Attachment 2) to the draft report, NPS generally concurred with the 29 recommendations and indicated corrective action would be taken. However, NPS did not agree that the internal control weakness involving information systems security and the weakness over the preparation, analysis, and monitoring of financial information were material weaknesses. Based on additional information provided by NPS, KPMG has reclassified the weakness for information systems security from a material weakness to a reportable condition. KPMG still considers the weakness over the preparation, analysis, and monitoring of financial information as a material weakness. The planned improvements by NPS should correct this weakness. Based on NPS's response we consider all 29 recommendations resolved but not implemented. The recommendations will be referred to the Assistant Secretary for Policy, Management and Budget for resolution and tracking of implementation.

Section 5(a) of the *Inspector General Act* (5 U.S.C. App. 3) requires the OIG to list this report in its semiannual report to the Congress. In addition, the OIG provides this audit report to the United States Congress.

The Independent Auditors' Report is intended for the information of the management of NPS, the Office of Management and Budget, and the United States Congress. The report, however, is a matter of public record and its distribution is not limited.

Attachments (2)



2001 M Street, N.W.  
Washington, D.C. 20036

### **Independent Auditors' Report**

Director, National Park Service:

We have audited the accompanying consolidated balance sheets of the National Park Service (NPS) as of September 30, 2001 and 2000, and the related consolidated statements of net cost for the years then ended, and the related consolidated statement of changes in net position and combined statements of budgetary resources and financing for the year ended September 30, 2001. The objective of our audits was to express an opinion on the fair presentation of these financial statements. In connection with our audits, we also considered NPS's internal control over financial reporting and tested NPS's compliance with certain provisions of applicable laws and regulations that could have a direct and material effect on its financial statements.

#### **SUMMARY**

As stated in our opinion on the consolidated financial statements, we conclude that NPS's financial statements as of and for the year ended September 30, 2001 and NPS's consolidated balance sheet and consolidated statement of net cost as of and for the year ended September 30, 2000, are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America.

Our consideration of internal control over financial reporting resulted in the following conditions being identified as reportable conditions:

- A. Controls over Accounting for Personal Property Should be Improved
- B. Year-End Undelivered Order Deobligation and Accounts Payable Accrual Recognition Procedures Should be Strengthened
- C. The Preparation, Analysis, and Monitoring of Financial Information Should be Improved
- D. Information Systems Security and Controls over Financial Systems and Data Should be Improved
- E. Procedures over Revenue Recognition, Billings, and Collections Need to be Improved



KPMG LLP, KPMG LLP is a U.S. limited liability partnership, is a member of KPMG International, a Swiss association.

- F. Controls over Recognizing Expenses in the Proper Period Should be Strengthened
- G. Disclosure of Required Supplementary Information Should be Enhanced

We consider reportable conditions A, B, and C, above, to be material weaknesses.

The results of our tests of compliance with laws and regulations, exclusive of the *Federal Financial Management Improvement Act (FFMIA) of 1996*, disclosed no instances of noncompliance that are required to be reported herein under *Government Auditing Standards* or Office of Management and Budget (OMB) Bulletin No. 01-02, *Audit Requirements for Federal Financial Statements*.

The results of our tests of FFMIA, described in the Compliance with Laws and Regulations section below, disclosed that NPS's financial management systems did not substantially comply with Federal financial management systems requirements, due to the information systems security control issues that we have identified as a reportable condition in internal controls. Further, NPS has three material weaknesses in internal controls that represent noncompliance with the accounting standards aspect of FFMIA.

The following sections discuss our opinion on NPS's financial statements, our consideration of NPS's internal control over financial reporting, our tests of NPS's compliance with certain provisions of applicable laws and regulations, and management's and our responsibilities.

## **OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS**

We have audited the accompanying consolidated balance sheets of NPS as of September 30, 2001 and 2000, and the related consolidated statements of net cost for the years then ended, and the related consolidated statement of changes in net position and combined statements of budgetary resources and financing for the year ended September 30, 2001.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the NPS as of September 30, 2001 and 2000, and its net costs for the years then ended, and its changes in net position, budgetary resources, and reconciliation of net costs to budgetary obligations for the year ended September 30, 2001, in conformity with accounting principles generally accepted in the United States of America.

NPS's fiscal year 2001 statement of net cost presents more details of gross costs and earned revenues than the fiscal year 2000 statement of net cost. While the fiscal year 2001 statement of net cost represents improved financial reporting, it is inconsistent with the fiscal year 2000 presentation.

The information in the Management Discussion and Analysis, Required Supplementary Stewardship Information, and Required Supplementary Information sections is not a required part of the financial statements, but is supplementary information required by the Federal



Accounting Standards Advisory Board or OMB Bulletin No. 97-01, *Form and Content of Agency Financial Statements*, as amended. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of this information. However, we did not audit this information and, accordingly, we express no opinion on it.

## **INTERNAL CONTROL OVER FINANCIAL REPORTING**

Our consideration of internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be reportable conditions. Under standards issued by the American Institute of Certified Public Accountants, reportable conditions are matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect NPS's ability to record, process, summarize, and report financial data consistent with the assertions by management in the financial statements.

Material weaknesses are reportable conditions in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements, in amounts that would be material in relation to the financial statements being audited, may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Because of inherent limitations in internal control, misstatements due to error or fraud may nevertheless occur and not be detected.

We noted certain matters involving internal control over financial reporting and its operation that we consider to be reportable conditions. We believe that the first three reportable conditions, labeled 01.A, 01.B, and 01.C, are material weaknesses:

### **01.A. *Controls over Accounting for Personal Property Should be Improved***

As a result of the fiscal year 2000 audit of NPS, certification requests and instructions were sent to all parks in an attempt to ensure all personal property items were properly accounted for in NPS's accounting records. The personal property certification form was designed and collection of the certification was coordinated by the Washington Area Service Office (WASO).

During our fiscal year 2001 audit, we visited three parks and found exceptions relating to both existence and completeness of recorded personal property at one park. Due to the above exceptions we visited six additional national parks during the final audit phase to verify the propriety of the certifications. We randomly selected personal property items from the parks visited to test the completeness of the certifications. As a result of this testwork, we found three items that were excluded from the certified inventory listings. These were subsequently corrected.

The certification instructions required the parks to verify the information (fixed asset listing) sent to them from WASO. If the information on the fixed asset listing was correct, the parks were to certify the listing by signing, dating, and faxing it back to WASO. Through discussions with

park personnel, we found that the directions were vague and insufficient in the following respects:

- The instructions could have been clearer by requiring the parks to conduct a physical inventory of property and providing detailed instructions on how to conduct such a physical inventory.
- The instructions required the parks to perform and complete the certification by the close of business on the same day the instructions were received. This was clearly impossible at all but the smallest parks, and likely resulted in inadequate attention to verifying the accuracy of the listing.

As a result, fixed assets and accumulated depreciation were understated at September 30, 2001. Further, internal control over possession of these assets was compromised. Consequently, NPS re-performed a physical inventory of its personal property at all park locations and determined the necessary adjustments.

NPS has a systemic problem that affects the transaction recorded in FFS when transferring a property item between two parks. When property is transferred, two separate transactions occur in FFS, one to transfer the item out and one to transfer it in. The transaction to remove the property item from the park is recorded in FFS correctly. However, the second transaction to re-enter the transferred property into FFS is not recorded properly. FFS is incorrectly configured to recognize the accumulated depreciation of the transferred-out asset as the acquisition cost of the asset transferred-in. FFS also does not recognize any amounts for previously recorded accumulated depreciation. As part of completing the re-certifications, the amounts recorded in FFS were adjusted to reflect the proper balances.

### **Recommendations**

We recommend that for future property certifications, WASO give the parks sufficient notice of required physical inventories and provide clearer directions on how such inventories must be conducted. We also recommend that WASO attach a form to the certification requiring the parks to provide details of and authorize any changes to correct errors identified on the fixed asset listing (i.e., additions or deletions). Upon the parks' completion of the certifications and WASO's posting of corrections, parks should receive from WASO a corrected version of the fixed asset listing to ensure that the proper adjustments were made.

In addition, we recommend that NPS resolve the systemic error in FFS to properly record transfers-in of capitalized assets.

### ***01.B. Year-End Undelivered Order Deobligation and Accounts Payable Accrual Recognition Procedures Should be Strengthened***

NPS implemented corrective action in fiscal year 2001 to address the material weakness identified during the fiscal year 2000 audit related to deobligating undelivered orders (UDOs) and recognizing accounts payable or accruals at year-end. As a result, many UDOs with no

activity were deobligated and NPS personnel were instructed on how to properly recognize accruals at year-end. However, similar to fiscal year 2000, we continued to identify exceptions in relation to the deobligation of UDOs and recognition of accruals during the fiscal year 2001 audit.

Our testing of UDO balances as of September 30, 2001, identified UDOs that had not been deobligated, even though the related services were received before year-end. Certain UDO balances tested had invoices that were received prior to year-end for work performed before year-end, but NPS neither deobligated the UDO balances nor recognized liabilities as of September 30, 2001. Based on invoices that were received subsequent to year-end, certain UDOs had work performed before year-end. Therefore, NPS should have reviewed the related contract and estimated an accrual for the services received. However, NPS neither deobligated the UDO balances nor accrued for services performed up to year-end. We also identified a situation where the contract/agreement had expired, but the UDO balance was not properly deobligated. Another UDO balance had funds that were obligated to a cooperative agreement when the same amount and the same account number had already been obligated for an interagency agreement.

Based on the above exceptions, we determined that NPS's review of UDOs to determine accruals needed was inadequate. NPS also did not have adequate procedures to ensure that invoices received prior to year-end but paid after year-end for services received prior to year-end were recorded as payables.

NPS was not able to provide the support for a number of accounts payable balances that we selected for review that were older than a year, as of September 30, 2001. NPS subsequently determined that these payables were invalid. NPS had not performed a thorough review of recorded payables to determine their validity. We also found accounts payable in the population that had offsetting payment transactions, which were also included in the payable population. As the payment, when entered into the system, did not properly reference the payable, the balance was not properly reduced to zero. Thus, NPS has not properly referenced payments made in FFS to eliminate open payables.

Our tests of recorded accounts payable balances also disclosed other transactions that were incorrectly recorded as payables in the general ledger at September 30, 2001. For example, in one instance an NPS contracting officer did not understand the requirements for making accruals, and accrued the total balance of the contract, instead of estimating the work that was completed.

As a result of the exceptions noted, NPS recorded an adjusting entry to remove fiscal year 1999 and prior UDO's with no activity. NPS also reviewed invoices received throughout the year for federal contracts and estimated an accrual for services received through year-end. In addition, NPS reviewed subsequent disbursements made in October and November to determine accruals needed for non-federal vendor contracts. However, our review of NPS's subsequent disbursement review indicated that this exercise was not thorough as we continued to identify exceptions. NPS re-reviewed subsequent disbursements twice to determine necessary accruals at fiscal year 2001 year-end. Consequently, several significant correcting adjusting entries were



made to the general ledger as of September 30, 2001. Several of these adjustments were entered into the general ledger as late as January 2002.

### **Recommendations**

We recommend that NPS develop an accounts payable estimation process such that the estimate will be available for inclusion in interim and year-end financial statements within the Department's timeline requirements.

The NPS should develop written policies and procedures to document its accounts payable accrual methodology, which should include (1) consideration of systems-generated data, as available, to aid in developing historical trends of expenses paid subsequent to fiscal year-end for goods and services received prior to year-end, (2) a limited review of disbursements subsequent to year-end, and (3) written or verbal contacts by the contracting officers with vendors and contractors (including federal agencies), as needed, to estimate amounts owed for goods and services received prior to year-end but paid after fiscal year-end (or remaining unpaid when the financial statements are prepared). Regarding the first step (consideration of systems-generated data), NPS should determine if the available field for "service date" in its accounting system could be used now or in the future as a means to develop a historical data base of disbursements after year-end for goods and services received prior to year-end.

NPS should use (and test) the revised accounts payable estimation methodology when preparing the interim unaudited financial statements required as of March 31, 2002 that are due to OMB within 60 days from the end of the reporting period, in accordance with OMB Bulletin No. 01-09, *Form and Content of Agency Financial Statements*.

We also recommend that NPS continue to review all UDOs and determine the validity of the recorded balances. Modifications should be obtained for expired contracts/agreements, if necessary, and all invalid UDO balances should be deobligated. All records of obligating documents such as contracts, grants, and interagency agreements, modifications to the initial obligations, and the support for the work that has been received such as receiving reports and vendor invoices should be maintained in support of recorded balances. NPS should perform this review continually.

NPS should also ensure that payments entered into the general ledger reference the related payable to properly reflect the balance of individual accounts payable.

### ***01.C. The Preparation, Analysis, and Monitoring of Financial Information Should be Improved***

During the fiscal year 2001 audit, we continued to identify numerous findings relating to NPS's preparation, analysis, and monitoring of its financial information.



NPS is required to prepare and submit the *Report on Budget Execution and Budgetary Resources* (SF 133) to the OMB quarterly. The fiscal year 2001 second quarter SF-133 for the Land Acquisition and State Assistance appropriation was submitted to OMB with inaccurate data.

In addition, NPS's SF-133s do not accurately reflect NPS's Obligations Incurred or Recoveries of Prior Year Obligations for annual and multi-year appropriations. NPS's FFS records all adjustments to obligations as Recoveries of Prior Year Obligations. This is improper because many adjustments to obligations are not true recoveries. This is a systemic problem within FFS. Since NPS's FFS balance of Recoveries of Prior Year Obligations is incorrect, NPS nets Recoveries of Prior Year Obligations with Obligations Incurred when preparing NPS's SF-133 and its Statement of Budgetary Resources. The netted amount is then reported as Obligations Incurred. NPS should instead reflect true recoveries as Recoveries of Prior Year Obligations in the SF-133 and as Adjustments in the Statement of Budgetary Resources. NPS's treatment results in true recoveries of prior year obligations not being identified and obligations incurred being incorrectly reduced by recoveries. As a result of our finding, NPS performed an analysis over its annual and multi-year appropriations and determined an adjustment to properly recognize recoveries of prior year obligations.

We perform a crosswalk of budgetary account balances reported on the quarterly SF 133 to their corresponding proprietary accounts to ensure the appropriateness of budgetary transactions. The analysis for two of three Treasury symbols we reviewed as of the second quarter had significant differences between the budgetary and corresponding proprietary accounts. These differences were a result of incorrect entries that were entered into FFS in fiscal year 2001 as beginning balance adjustments to reflect the ending balances in Hyperion in fiscal year 2000. The entries that were made in FFS did not include all the necessary budgetary accounts or proprietary accounts, which caused the differences reflected in our crosswalk. NPS indicated that by fiscal year 2001 year end, all beginning balance differences would be adjusted in the general ledger accounts affected. However, our review of the budgetary to proprietary account crosswalk at year end for one Treasury Symbol indicated a \$6,127,432 difference resulting from beginning balance adjustments. NPS recorded a post-closing adjustment to the fiscal year 2001 financial statements to correct the difference.

Treasury's Federal Management Service (FMS) notifies agencies of their deposit and disbursements differences on FMS 6652, *Statement of Differences with Treasury*. Treasury Financial Manual 2-5100 Supplement to Volume 1, states, "Federal agencies must research and resolve differences reported on the monthly FMS 6652." NPS's payroll agency location code FMS 6652 has a reconciling item of \$991,893. Treasury disbursed the above amount in fiscal year 1999 on the NPS's behalf. In 1999, when NPS switched to FPPS as its payroll processing system, the system was producing incorrect data, which made reconciliation with Treasury figures difficult. As NPS did not know where to allocate the transaction, no entry was made to the NPS general ledger to recognize the transaction. The likelihood that differences can be resolved decreases as time elapses and NPS has recognized fewer disbursements than Treasury has actually made on NPS's behalf. Based on our recommendation, NPS recorded an adjustment to the fiscal year 2001 financial statements to recognize this transaction.

Our park visits indicated that there were a number of vehicles and other equipment items that are no longer in use and need to be tagged as excess property items. NPS's Personal Property Management Handbook does not discuss accounting transactions required for property that is identified as no longer in use or those that have been identified as excess. As a result of our findings, NPS and the Department's financial management office (PFM) issued guidance on accounting for excess property throughout the Department.

NPS provides or receives services to and from other Department agencies. These transactions should be identified and reconciled to ensure that both parties affected have the appropriate balances reflected on their respective financial statements as of year-end. At the Department level, the identified transactions will be eliminated from the consolidated statements. As of January 4, 2002, NPS had not completed its reconciliations of eliminating transactions with other Department bureaus. The transactions that should be eliminated are currently identified through a process which includes reconciling transactions and balances with other Department bureaus. Although the reconciliations are performed quarterly, these intra-Departmental transactions are not adequately reconciled and resolved timely throughout the year. Therefore, most of the reconciliation process occurs at year-end, requiring a significant amount of time and resources on the part of the accounting staff. If the differences with trading partners are not resolved, NPS's financial statements may be misstated by the amount of the unreconciled and unposted elimination entries. In addition, the lack of adequate timely reconciliation and resolution of intra-Department's transactions would impact the DOI's ability to prepare consolidated financial statements in a timely manner.

Similar to the prior year, NPS's AOC recorded over 150 post-closing adjustments to its October 26, 2001 trial balance. Given the accelerated financial reporting deadlines required by OMB Bulletin No. 01-09, *Form and Content of Agency Financial Statements* for fiscal year 2002, NPS needs to streamline development and production of the subsidiary information needed for the audit, or accelerate its production schedule, to ensure timely completion of the fiscal year 2002 audit.

### **Recommendations**

We recommend that NPS perform the following procedures:

1. Improve communication between the NPS budget office and the AOC and perform adequate reviews over external reports that are prepared for submission. The budget office should forward documentation supporting information they input to FFS to AOC on a timely basis. AOC should obtain supporting documentation for adjustments made to amounts recorded in the general ledger.
2. Continue working with American Management Systems (AMS) to correct the systemic error related to recoveries. Manually track actual recoveries for annual and multi-year appropriations until the system is fixed in order to properly reflect the recoveries on the SF-133 and the Statement of Budgetary Resources.

3. Ensure that all adjustments are reviewed and signed by the reviewer before being entered into FFS. The review should ensure that the correct budgetary and proprietary accounts are affected in relation to the adjustment.
4. Make a concerted effort to timely research and resolve all differences identified through the Fund Balance with Treasury reconciliation procedures.
5. In conjunction with the Department and other bureaus, implement a formal set of policies and procedures for the proper reconciliation and elimination of intra-Departmental transactions. The process should be designed to eliminate the significant effort that NPS expends to reconcile out of balance conditions after year-end. In addition, NPS should establish a monitoring process to ensure all differences identified in the reconciliation process are resolved in a timely manner.

**01.D. *Information Systems Security and Controls over Financial Systems and Data Should be Improved***

NPS has not implemented comprehensive information systems security policies or procedures to effectively control and protect information supporting NPS's operations and assets. While NPS has established initiatives in the security and controls over its information systems, the U.S. Department of the Interior (Department) has not met the requirements of OMB Circular A-130, *Security of Federal Automated Information Resources*. OMB Circular A-130 provides requirements to ensure adequate security for information relating to general support systems and major application systems. Specifically, we noted weaknesses in the following areas:

**Entity-wide Security Program and Planning:** NPS did not have an entity-wide security plan and did not focus appropriate resources on security of information. Specifically, NPS has not:

- Performed routine entity-wide risk assessments of systems.
- Finalized and approved comprehensive security policies to include the establishment of a security management structure and clearly assigned security responsibilities.
- Established security-related personnel policies and procedures.
- Performed risk assessments or initiated a formal program for management review and accreditation of its security program and major applications.
- Developed resource classification categories.

**Access Controls:** NPS did not have adequate controls to limit or detect access to certain information systems to protect against unauthorized modification, loss or disclosure of data. We noted that NPS had weaknesses with:

- Identification of authorized users.
- Implementation of policies and procedures to define minimum standards for user account passwords.
- Monitoring of security violation logs.

- Continuing the network operating system conversion and utilizing existing monitoring and configuration management features.
- Strengthening Federal Financial System (FFS) security policies and procedures surrounding the timely notification of termination and adhering to current policies and procedures for establishment of user accounts.

**Software Development and Change Controls:** NPS did not have adequate application software development and change controls. In particular, NPS did not have documented policies and procedures over certain systems to make program changes and to prevent unauthorized programs or modifications. We specifically noted that documented WAN/LAN change control policies and procedures needs to be established.

**System Software Controls:** NPS did not establish controls to limit and monitor access to powerful programs and sensitive files that control computer hardware and secure applications supported by the system. We specifically noted that centralized standards for operating system configurations should be implemented.

**Segregation of Duties:** NPS did not ensure proper segregation of duties for its information systems. The division of roles and responsibilities and steps in critical functions were not designed for certain information systems so that no one individual could undermine the process. We noted that review of infrastructure, jobs, functions, etc., should be routinely performed to determine if changes are warranted.

**Service Continuity:** NPS did not have adequate controls to minimize the risk of unplanned interruptions and to recover critical operations and protect data should interruptions occur. Specifically, NPS had not:

- Identified critical operations and resources that prioritized data and operations.
- Documented emergency processing priorities.
- Rotated backup tapes at a secure off-site facility.
- Established a comprehensive Continuity of Operations Plan for the Accounting Operations Center (AOC).
- Developed Continuity of Operations Plans for the Administrative Program Center in support of the Interior Department Electronic Acquisitions System (IDEAS) application and the Network Management Office.

**Application Controls:** NPS did not establish adequate controls for application systems. Application controls are the structure, policies, and procedures that apply to separate, individual application systems. Further, application controls encompass both the routines contained within the computer program code, and the policies and procedures associated with user activities, such as manual measures performed by the user to determine that data were processed accurately by the computer. Specifically, we noted weaknesses in:

- Developing and revising procedures for reconciliations, data input procedures, operating procedures, and output processes for FFS subsystems.



- Strengthening IDEAS security controls, input processing documentation, and change controls.
- Identifying critical operations and resources that prioritize data and operations.
- Documenting emergency processing priorities.

**National Business Center:** The Interior National Business Center (NBC) administers several of NPS's financial management systems, including: the Federal Personnel and Payroll System (FPPS), Federal Financial System (FFS), Hyperion, and IDEAS. Although NBC has recently improved the security and controls over these information systems, NBC needs to continue improvements in the areas of: entity-wide security planning, configuration of operating systems, system software controls, software development and change controls, and service continuity. Weaknesses in these control areas could affect NPS's ability to prevent and detect unauthorized changes to its financial information and increases NPS's need for less efficient manual controls to monitor and reconcile financial information.

### **Recommendations**

NPS should improve controls over information technology systems to ensure adequate security and protection of information resources. NPS should also ensure that adequate resources are dedicated to information technology security and system controls.

We recommend that NPS annually obtain assurance (similar to a SAS 70 Type II report) from NBC that adequate security and controls are in place over the financial management systems.

#### ***01.E. Procedures over Revenue Recognition, Billings, and Collections Need to be Improved***

Our detailed testwork over NPS's billings and collection process indicated that the Accounting Services Team (AST) needs to improve its controls over reviewing receivables, advances from others, and the recording of revenue transactions.

We segregated all unbilled accounts receivable balances that were older than a year from the unbilled accounts receivable detail file. NPS could not provide supporting documentation for all the unbilled account receivable balances we selected for review. Therefore, we concluded that these items were invalid and the unbilled accounts receivable balance at September 30, 2001 was overstated. NPS reviewed the unbilled accounts receivable population as a result of this finding and recorded a post closing adjustment to remove invalid unbilled receivables.

NPS could not provide supporting documentation for several advances from others balances we selected for review as of September 20, 2001, that had no activity for over a year. We therefore were unable to determine the validity of these items. Consequently, NPS reviewed the advances from others population and recorded a post closing adjustment to remove invalid advances from others transactions.

The NPS AST reviews the FFS Monthly Accounts Receivable Report and determines the collectibility of billed accounts receivable balances. This team also reviews Project Cost

Allocation System (PCAS) reports, which provide information regarding unbilled accounts receivable. During fiscal year 2001, due to Financial Reporting Reconciliation System (FRRS) problems (FRRS is the subsidiary ledger to FFS), the FFS Monthly Accounts Receivable Report was not available to AST until March 2001. The PCAS reports did not contain accurate and reliable information until July 2001, due to problems in the PCAS system. Therefore, the established control of reviewing these reports monthly was not performed for a majority of fiscal year 2001. As established management review controls were not performed, the opportunity to detect errors in a timely manner diminished. As a result, unbilled receivables and billed receivables may have been misstated throughout the year and may not have been detected timely.

The NPS technicians that enter bills into the FFS system do not have adequate knowledge on when to recognize revenue for services performed versus recording an expenditure refund. We identified a transaction for which incurred expenditures were incorrectly reversed when a bill was sent out for reimbursable services performed. Similarly, when a NPS employee provided technical assistance for the Ohio and Erie Canal Association, NPS properly recognized the employee expense and subsequently billed the Association for it. However, when NPS collected the amount billed to the Association, instead of recognizing revenue for services performed, the original expense recognized was reversed. For both of the above transactions, as expenses incurred were negated and revenue was not recognized, revenue and expenses are understated for fiscal year 2001. Inversely, the NPS also erroneously recorded a revenue receipt when a refund was received from a grantee. This transaction should have been recorded as an expense refund.

A posting model problem in the FFS creates invalid account receivables that are flagged as "E" document types and should be written off. During the fiscal year 2000 audit, we reported this as a condition that needed NPS's review and corrective action. However, during the fiscal year 2001 audit, we identified that the accounts receivable population continued to include "E" document types and the AST team had not identified these receivables as an adjusting entry to the year end receivables balance as of December 18, 2001.

Bills are manually prepared for employee quarter rental collections and other collections from reimbursable agreements at the Cape Cod National Seashore. Because the bills are not generated by the FFS system, the necessary accounting entries are not automatically entered in FFS. However, Cape Cod employees do not enter these invoices into the NPS FFS system. The invoices are tracked and if the invoices become delinquent, two dunning letters are sent. If the bill remains uncollected, the supporting documentation is then forwarded to the AOC in Herndon for further follow up activity. In response to the above identified condition, the NPS AOC indicated that year-end closing instructions for the parks emphasizes the need to enter all receivables into FFS as of September 30, 2001.

### **Recommendations**

We recommend that AOC implement the following procedures:

1. Establish procedures to review the validity of recorded receivables monthly or quarterly, so that balances that are not valid can be identified and removed timely.

2. Review all the aged advances from others balances over one year old and determine the validity of the advance or related contract. In addition, perform a review of all advances from others balances and ensure that valid contracts, agreements, and other supporting documentation (such as invoices that reduce the balance) are maintained.
3. Generate PCAS reports and prepare bills timely. If errors due to systemic problems are identified through analysis, ensure that the necessary parties are informed and corrective action is taken promptly. AST should also investigate alternative means to obtain necessary data to perform necessary analysis when a particular method is not functioning as intended.
4. Provide training to accounting technicians on when to recognize revenue versus expenditure refunds. Technicians that enter transactions should also perform self-reviews to ensure that the transaction they entered into the system is proper.
5. Provide adequate training to park employees to assist them in identifying transactions that should be established as reimbursable agreements and properly recording reimbursable agreements.
6. Ensure that the posting models which produce "E" documents are investigated and corrected, so the problem does not continue in future years.
7. Ensure that all bills, whether generated at the park or AOC level, are either generated through the FFS system or entered into the system at the time the bill is initiated. Thus, receivables will be recorded in the general ledger throughout the year when bills are generated. Otherwise, the opportunity for fraud exists.

**01.F. Controls Over Recognizing Expenses in the Proper Period Should be Strengthened**

In fiscal year 2000, NPS issued a significant number of on-site Treasury checks related to fire-fighting activities. We reviewed a sample of these transactions, that are recorded in FFS as "no check" transactions. Our review indicated that the NPS personnel did not enter fire payments into FFS until Treasury acknowledged receipt of paperwork related to the payment. Therefore, NPS recorded the transactions two to three months after actual disbursement of funds and fiscal year 2000 transactions that should have been recorded in fiscal year 2000 were incorrectly recorded as fiscal year 2001 transactions. Based on our finding, NPS performed a review of fire payment transactions made in fiscal year 2000 and identified an adjustment of \$30 million. As a result, the fiscal year 2000 financial statements were re-stated.

NPS's control over credit card transactions should also be strengthened. During our park visits, our inquiries indicated that many of the purchases at Cape Cod National Seashore are made using a credit card. However, there was no formal policy to require a supervisor, or a person other than the credit card holder, to review and sign-off on the credit card statement that reflects the purchases made on behalf of the park. At Mt. Rainier National Park, the procurement officer



reviews the credit card statements of all personnel that purchase goods on behalf of the park. However, there was no supervisory review of the procurement officer's credit card purchases.

### **Recommendations**

We recommend that the AOC ensure that transactions are recorded in the general ledger in a timely manner, with special emphasis on transactions that occur at year-end.

A formal policy should be established at the individual parks, to require someone other than the credit card holder to review monthly credit card statements and document that review.

#### ***01.G. Disclosure of Required Supplementary Information Should be Enhanced***

Statement of Federal Financial Accounting Standard (SFFAS) 14, *Amendments to Deferred Maintenance Reporting Amending SFFAS No. 6 & SFFAS No. 8*, states that the supplementary information for deferred maintenance should include the identification of each major class of asset for which maintenance has been deferred, and if the condition assessment survey method of measuring deferred maintenance is used (which is the case at NPS), the following should be disclosed for each major class of asset for which maintenance has been deferred:

- Description of requirements or standards for acceptable operating condition.
- Asset condition.

The standard also says for heritage assets and stewardship land, the condition of the assets or land should be disclosed.

NPS's required supplementary information (RSI) related to deferred maintenance does not include the following disclosures:

- NPS identified its major classes of asset categories to be Roads and Bridges, Trails and Walks, Grounds, Buildings, Utilities, Marine and Waterways, and Special features. However, in the RSI, deferred maintenance is disclosed for Project Management Information System (PMIS) projects, Employee Housing projects, Paved Roads and Bridges projects, and Dams projects. Thus, except for Paved Roads and Bridges, NPS does not report deferred maintenance for its major classes of asset categories.
- NPS has not disclosed the asset condition for PMIS projects, Paved Roads and Bridges, and certain heritage assets.
- NPS did not describe the requirements for acceptable operating condition for each major class of assets.

In addition, NPS has not performed standard, comprehensive condition assessments on certain major park assets, and, therefore, cannot give reasonable estimates on the condition of major classes of assets, and the dollar amount of maintenance needed to return major classes of assets to their acceptable operating condition.

The lack of the deferred maintenance supplementary information as required by SFFAS 14 is the result of insufficient deferred maintenance data coming from the information systems and individual parks, and the lack of a standardized asset condition assessment process throughout the parks. Because NPS does not have a standardized, comprehensive condition assessment process throughout the parks, NPS cannot identify standards and requirements for measuring deferred maintenance on primary asset types, and cannot readily determine asset condition for major classes of assets and dollar amount needed to return major classes of assets to normal operating condition.

In the required supplementary stewardship information (RSSI), NPS recognized Archeological Sites, Cultural Landscapes, Historic and Prehistoric Structures, Museum Collections, National Historic Landmarks, and Paleontological Sites.

NPS failed to disclose the minimum reporting requirements, per OMB Bulletin No. 97-01, for the following categories:

- For Archeological Sites, NPS did not disclose the methods of acquisition or withdrawal of archeological sites, the beginning balance or the number of archeological sites withdrawn for fiscal year 2001, or information regarding whether any sites are considered multi-use heritage assets.
- For Cultural Landscapes, NPS did not disclose methods of acquisition or withdrawal of cultural landscapes, information regarding the beginning balance, additions, or withdrawals, information regarding deferred maintenance or reference information about deferred maintenance elsewhere in the report, or information regarding whether any sites are considered multi-use heritage assets.
- For Historic and Prehistoric Structures, NPS did not disclose the withdrawal methods, the beginning balance, ending balance, or the number of historic and prehistoric structures withdrawn for fiscal year 2001, or information regarding whether any sites are considered multi-use heritage assets.
- For Museum Collections, NPS did not describe methods of acquisition or withdrawal, information regarding the beginning balance, condition assessments, or information regarding whether any sites are considered multi-use heritage assets.
- For National Historic Landmarks, NPS did not disclose information regarding the beginning balance and ending balances, condition assessments or the overall condition of the national historic landmarks, information regarding deferred maintenance or reference information about deferred maintenance elsewhere in the report, or information regarding whether any sites are considered multi-use heritage assets.
- For Paleontological Sites, NPS did not describe methods of acquisition or withdrawal, information regarding the beginning or ending balances, overall condition for paleontological sites, information regarding deferred maintenance or reference information about deferred



maintenance elsewhere in the report, or information regarding whether any sites are considered multi-use heritage assets.

### **Recommendations**

We recommend that NPS expeditiously continue to implement its new deferred maintenance measurement system that includes:

- comprehensive condition assessments of all park assets;
- quantification of deferred maintenance by major classes of asset categories identified by NPS, and
- a standardized measurement system for determining deferred maintenance amounts on park assets.

This will allow NPS to identify its major asset types requiring deferred maintenance, condition of major types of assets, and standards for determining normal operating condition for major classes of assets.

We also recommend that NPS ensure that all required supplementary stewardship information for each asset category is disclosed.

\* \* \* \* \*

A summary of the status of prior year reportable conditions is included as Exhibit I. We also noted other matters involving internal control over financial reporting and its operation that we have reported to the management of NPS in a separate letter dated January 18, 2002.

### **COMPLIANCE WITH LAWS AND REGULATIONS**

The results of our tests of compliance with the laws and regulations described in the Responsibilities section of this report, exclusive of FFMIA, disclosed no instances of noncompliance that are required to be reported herein under *Government Auditing Standards* or OMB Bulletin No. 01-02.

The results of our tests of FFMIA disclosed areas, described below, where NPS's financial management systems did not substantially comply with Federal financial management systems requirements and applicable accounting standards.

#### **Information Systems Security and Controls Over Financial Systems and Data Should be Improved**

As discussed in the Internal Control over Financial Reporting section of the report, NPS has several weaknesses in its information technology general control environment that contribute to noncompliance with OMB Circular A-130. NPS has not managed and coordinated entity-wide security procedures, has not developed a systems development methodology for application



software and change controls to prevent unauthorized programs or modifications to an existing program from being implemented, and needs to improve controls to protect information resources, minimize the risk of unplanned interruptions, and recover critical operations.

### **Federal Accounting Standards**

NPS has three material weaknesses in internal controls as identified in the Internal Control over Financial Reporting section of this report, indicating noncompliance with applicable accounting standards.

\* \* \* \*

Recommendations to address these matters are included in the Internal Control over Financial Reporting section of this report.

The results of our tests disclosed no instances where the NPS's financial management systems did not substantially comply with the United States Government Standard General Ledger at the transaction level.

## **RESPONSIBILITIES**

### ***Management's Responsibilities***

The Government Management Reform Act (GMRA) of 1994 requires federal agencies to report annually to Congress on their financial status and any other information needed to fairly present their financial position and results of operations. To meet the GMRA reporting requirements, NPS prepares annual financial statements.

Management is responsible for:

- Preparing the financial statements in conformity with accounting principles generally accepted in the United States of America;
- Establishing and maintaining internal controls over financial reporting; required supplementary stewardship information and performance measures; and
- Complying with laws and regulations, including FFMIA.

In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control policies.

### ***Auditors' Responsibilities***

Our responsibility is to express an opinion on the fiscal year 2001 and 2000 financial statements of NPS based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Bulletin No. 01-02. Those standards and OMB Bulletin No. 01-02 require that



we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes:

- Examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements;
- Assessing the accounting principles used and significant estimates made by management; and
- Evaluating the overall financial statement presentation.

We believe that our audits provide a reasonable basis for our opinion.

In planning and performing our fiscal year 2001 audit, we considered NPS's internal control over financial reporting by obtaining an understanding of NPS's internal control, determining whether internal controls had been placed in operation, assessing control risk, and performing tests of controls in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements. We limited our internal control testing to those controls necessary to achieve the objectives described in OMB Bulletin No. 01-02 and *Government Auditing Standards*. We did not test all internal controls relevant to operating objectives as broadly defined by the Federal Managers' Financial Integrity Act of 1982. The objective of our audit was not to provide assurance on internal controls over financial reporting. Consequently, we do not provide an opinion on internal control over financial reporting.

As required by OMB Bulletin No. 01-02, we considered NPS's internal control over required supplementary stewardship information by obtaining an understanding of NPS's internal control, determining whether these internal controls had been placed in operation, assessing control risk, and performing tests of controls. Our procedures were not designed to provide assurance on internal control over required supplementary stewardship information and, accordingly, we do not provide an opinion on such controls.

As further required by OMB Bulletin No. 01-02, with respect to internal control related to performance measures determined by management to be key and reported in the Management Discussion and Analysis, we obtained an understanding of the design of significant internal controls relating to the existence and completeness assertions. Our procedures were not designed to provide assurance on internal control over performance measures and, accordingly, we do not provide an opinion on such controls.

As part of obtaining reasonable assurance about whether NPS's fiscal year 2001 financial statements are free of material misstatement, we performed tests of NPS's compliance with certain provisions of laws and regulations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts, and certain provisions of other laws and regulations specified in OMB Bulletin No. 01-02, including certain provisions referred to in FFMLA. We limited our tests of compliance to the provisions described in the preceding sentence, and we did not test compliance with all laws and regulations applicable to



NPS. Providing an opinion on compliance with laws and regulations was not an objective of our audit, and, accordingly, we do not express such an opinion.

Under FFMLA, we are required to report whether NPS's financial management systems substantially comply with (1) Federal financial management systems requirements, (2) applicable Federal accounting standards, and (3) the United States Government Standard General Ledger at the transaction level. To meet this requirement, we performed tests of compliance with FFMLA section 803(a) requirements.

## **DISTRIBUTION**

This report is intended for the information and use of NPS's management, the Department of the Interior's Office of the Inspector General, OMB, and the U.S. Congress, and is not intended to be and should not be used by anyone other than these specified parties.

*KPMG LLP*

January 18, 2002

**National Park Service**  
**Summary of the Status of Prior Year Reportable Conditions**  
**September 30, 2001**

Ref	Condition	Status
00.A	Non-compliance with FFMIA with regard to complying with the United States Government Standard General Ledger at the transaction level.	Corrected. Comment closed.
00.B	Year-End Undelivered Order Deobligation and Accounts Payable Accrual Recognition Procedures Should be Strengthened	Repeated in fiscal year 2001, comment 01.B
00.C	Controls Over Accounting for Personal Property Should be Improved	Repeated in fiscal year 2001, comment 01.A
00.D	Preparation, Analysis, and Monitoring of Financial Information Should be Improved	Repeated in fiscal year 2001, comment 01.C
00.E	Advances to Others Should be Liquidated Timely as Related Expenditures are Reported	Same condition was not identified in fiscal year 2001. However, NPS continues to have issues related to Advances to others balance, as indicated in fiscal year 2001 comment 01.E
00.F	Internal Controls Over the Electronic Data Processing (EDP) Systems Security Should be Improved	Repeated in fiscal year 2001, comment 01.D
00.G	Electronic Data Processing Application Software Development and Change Controls Should be Strengthened	Repeated in fiscal year 2001, comment 01.D
00.H	NPS's Accounting Operations Center (AOC) Service Continuity Plan Should be Updated	Repeated in fiscal year 2001, comment 01.D
00.I	Prior Unimplemented Office of Inspector General Findings	Corrected. Comment closed.



# United States Department of the Interior

## NATIONAL PARK SERVICE

1849 C Street, N.W.  
Washington, D.C. 20240

IN REPLY REFER TO:

F4217(2625)

FEB 14 2002

### Memorandum

To: Roger LaRouche  
Assistant Inspector General for Audits

From: Chief Financial Officer  
National Park Service *[Signature]*

Subject: Draft Independent Auditors' Report on the National Park Service Financial  
Statements for Fiscal Years 2001 and 2000  
(Assignment No. E-IN-NPS-0046- 01)

This is in response to the recommendations contained in the subject report.

01.A. Information Systems Security and Controls over Financial Systems and Data Should be Improved, Recommendations. We recommend that the National Park Service (NPS) should improve controls over information technology (IT) systems to ensure adequate security and protection of information resources. NPS should also ensure that adequate resources are dedicated to information technology security and system controls. In addition, we recommend that NPS annually obtain assurance from the National Business Center (NBC) that adequate security and controls are in place over the financial management systems.

The NPS concurs with the statements made concerning IT security and controls over financial systems and data. We also agree in principle with the recommendations made, especially noting the need to provide adequate resources dedicated to IT security and systems controls.

We do not concur that the findings support a material weakness condition. We believe the material weakness status of this condition misleads the uninformed stakeholder that there is a significant risk to our financial system and its data, and to the operations of the accounting systems within the NPS. The report fails to point out that the Federal Financial System (FFS) is protected by both Resource Access Control Facility (RACF) security and by FFS application security, both of which set a high standard of protection that makes it extremely difficult for a computer hacker to penetrate the system and compromise the integrity of the system.

We also note that the description of this condition confuses weaknesses that pertain to the FFS mainframe system, the Accounting Operations Center (AOC) local area network, and the Wide Area Network (WAN) and other systems. For instance, the condition that NPS does not have rotated backup tapes at a secure off-site facility does not apply to any of the data within the FFS system, for which there is a practice to maintain complete off-site storage of the system and data.

Also, the restoration of the financial system has been tested on a backup mainframe installation to ensure that disaster recovery can be accomplished.

As a result of these same findings and recommendations appearing in the FY 2000 opinion report, the Service established a Chief Information Officer organization. This office is responsible for correcting many of the Servicewide Information Technology Security policy and procedural shortcomings. Furthermore, in FY 2002 and 2003, additional funding has been requested to support Servicewide information technology management and planning. For those issues not under the direct control of NPS management, we will continue to work with the appropriate Departmental and National Business Center staff on corrective actions.

In summary, we object to the material weakness in internal control status of the condition because it does not reflect the secure nature of our financial system on an operational basis, and because other concerns reflect low probability risks to our financial data. We would concur with the finding reported as a reportable condition related to internal controls.

01.B. Improved Internal Controls over Accounting for Personal Property. Recommendations. We recommend that for future property certifications, WASO give the parks sufficient notice of required physical inventories and provide clearer directions on how such inventories must be conducted. We also recommend that WASO attach a form to the certification requiring the parks to provide details of and authorize any changes to correct errors on the fixed asset listing (i.e., additions and deletions). In addition, we recommend that NPS resolve the systemic error in FFS to properly record transfers-in of capitalized assets.

NPS concurs that there was a short turnaround for the certification of the parks/offices inventory and deficiencies in the initial instructions. However, in accordance with Department and NPS requirements, each Regional Director/Center Manager is responsible for ensuring that parks/offices conduct annual inventories by September 30 of each year. NPS Personal Property Management Handbook No. 44 gives the appropriate instructions for completing a required annual physical inventory and the reconciliation and adjustment of the property records. Accountable Officers are to certify in writing to the Regional Director/Center Manager that all inventories for which they are responsible have been conducted, and that the subsidiary property records reflect assets in their possession or custody. The handbook, available at each park and on the NPS Property management web site, also prescribes the necessary steps in completing the physical inventory. The Office of Property Management plans to reissue instructions outlining park/office responsibilities for future inventory requirements and will address concerns regarding an inventory data update form to ensure sufficient information and detail is obtained from the completion of the inventory. The Office of Property Management has scheduled Servicewide training during fiscal year 2002 relating to the proper accounting of personal property.

The NPS concurs with the recommendation related to improper transactions being posted to the financial records for property items being transferred between two parks. The Management Systems Team is currently testing new accounting transactions that will properly record the transfer-in of capitalized assets.

The responsible officials for implementing these recommendations will be the Office of Property Management and the Accounting Operations Centers Management Systems Team Leader. The planned target date for implementation will be September 30, 2002.

01.C. Year-End Undelivered Order (UDO) De-obligation and Accounts Payable Accrual Recognition Procedures Should be Strengthened. Recommendations We recommend that NPS

develop, test and use an accounts payable estimation process such that the estimate will be available for interim and year-end financial statements. These written policies and procedures for estimating accounts payable should include (1) consideration of systems-generated data to develop historical trends of expenses paid subsequent to fiscal year-end for goods and services received prior to year-end, (2) a limited review of disbursements subsequent to year-end, and (3) written or verbal contacts by contracting officers with government and public vendors to estimate amounts owed for goods and services received prior to year-end but paid after the fiscal year-end.

We also recommend that NPS continue to review all UDO's and determine the validity of the recorded balances. They should ensure all records of obligating documents, modifications to the initial obligations, and the supporting documentation for work received such as receiving reports and invoices are maintained in support of the recorded balances. And NPS should also ensure that payments entered into the general ledger reference the related payable to properly reflect the balance of individual accounts payable.

The NPS agrees that policies and procedures for de-obligation and accrual recognition needs to be strengthened in order to more accurately report goods and services received but not billed as of the end of the fiscal year. AOC will develop a methodology to estimate accounts payable accruals to be used for year-end financial statements. These estimates will be based on the analysis of historical payment data from fiscal years 1999, 2000 and 2001. We will determine if these accounts could be used for interim reports, and if so, we would begin using during FY 2003. In addition, AOC will develop an action plan for the review and deobligation of unsubstantiated undelivered orders.

The responsible officials for implementing these recommendations will be the Fiscal Services Team Leader and the Management Systems Team Leader, with the planned target date for implementation being September 30, 2002.

01.D. The Preparation, Analysis, and Monitoring of Financial Information Should be Improved, Recommendations. We recommend the NPS (1) improve communication between the budget office and (AOC), and perform adequate reviews over external reports that are prepared for submission, (2) work with American Management Systems (AMS) to correct the systemic error related to recoveries, and continue to track and report actual recoveries until the system is fixed, (3) ensure adjustments are reviewed for proper posting and signed before being entered into FFS, (4) make a concerted effort to research and resolve differences identified through the Fund Balance and Treasury reconciliation process, and (5) implement in conjunction with the Department and other bureaus a formal set of policies and procedures for the proper reconciliation and elimination of intra-Departmental transactions.

We do not agree that this recommendation should be considered a material weakness for this audit. Other than the intra-Departmental elimination issue, which all bureaus have been identified as having problems, NPS feels they have the necessary controls in place to monitor and take corrective action as necessary.

Recommendations 1 – NPS does not feel this is a material weakness. AOC communicates with the WASO Budget Office on differences identified when preparing and reviewing external reports prior to submission, when time permits. Otherwise, follow-up actions are taken prior to the next submission date. We will continue to have periodic meetings between the WASO Budget Office and the Finance and Accounting Support Team to address the proper posting of transactions and follow-up actions when errors are identified.

Recommendation 2 – NPS concurs that the Service needs to work with AMS, through the National Business Center, to correct the systemic error related to recoveries. We have developed a method of calculating recoveries for year-end reporting purposes, and will continue this process until the system problem is corrected.

Recommendation 3 and 4 – Although there were specific audit findings related to the timely reconciliation of Fund Balances with Treasury, and the erroneous posting of adjustments into FFS, NPS does not feel there were significant problems in the overall process used by AOC. Because of the method of closing FY 2000 and bringing forward beginning balances into FY 2001, NPS changed the closing process to eliminate or minimize the budget account errors. Considering the number of funds and transactions that are impacted throughout the year, we feel the errors identified did not materially reflect any major weaknesses in the current procedures for accomplishing these tasks. NPS will continue to work to improve these processes to reduce errors or problems identified in the reconciliation of fund balances with Treasury and the posting of proprietary and budgetary accounts to FFS.

Recommendation 5 – We concur that a formal set of instructions are required to address the Departmentwide problem with the reconciliation of intra-Departmental eliminations. During fiscal year 2001, the Department, along with other bureaus, began to develop policies and procedures for the proper reconciliation and elimination of intra-Departmental transactions. The Service will continue to participate in the Department project team to resolve elimination issues.

The responsible officials for implementing these recommendations will be the Management Systems Team Leader and the Finance and Accounting Support Team Leader, with a target date for implementation of September 30, 2002.

01.E. Procedures over Revenue Recognition, Billings, and Collections Need to be Improved, Recommendations. We recommend that AOC (1) establish procedures to review the validity of recorded receivables, so that invalid balances are removed in a timely manner, (2) review all aged advances from others balances over one year old and determine validity, and ensure supporting documentation is maintained, (3) generate PCAS reports and prepare bills timely, (4) provide training to accounting technicians on when to recognize revenue versus expenditure refunds, (5) provide training to park employees to assist them in identifying transactions that should be recorded as reimbursable agreements, (6) ensure "E" documents are corrected, and (7) ensure that all bills, whether generated at the park or AOC are entered into the system at the time the bill is initiated.

Recommendation 1, 2 and 4 - The NPS will work to strengthen the existing procedures for reviewing all account receivables to accurately determine the validity of the recorded receivables, to cancel invalid balances when identified and review the aged advances from others balances. In addition, this summer we will be conducting on-site training sessions with all Accounting Services Team technicians to discuss all issues related to cash management and debt collection.

Recommendation 3 – We agree that reports need to be generated in a more timely manner, except the first quarter of the new fiscal year, which are not generated until completion of our year-end process. To accommodate the year-end close process and audit requirements, a full set of reports for the new year can not be completed until we close out the prior year. We continue to improve in the year-end process and were able to generate reports in February this year. We will explore if other options may be available that would allow us to generate reports before our year-end process is complete.

Recommendation 5 – AOC will send out additional guidance to our Regional Finance contacts to forward to all parks/offices on the handling of reimbursable agreements and the recording of those types of transactions. Our long range plan on training park employees will be to contact the Mather Training Center to discuss the development of a Servicewide training class on reimbursable agreements. That will take several years to complete.

Recommendation 6 – Additional follow-up will be taken to correctly handle all remaining “E” documents in our financial records.

Recommendation 7 – AOC will explore the possibility of distributing centrally generated bills to parks/offices. Currently, bills can only be printed at AOC. Also, we will remind all areas of the requirement to record accounts receivables timely into FFS.

The responsible officials for implementing these recommendations will be the Accounting Services Team Leader and the Management Systems Team Leader. The planned target date for implementing changes will be as of September 30, 2002.

01.F. Controls Over Recognizing Expenses in the Proper Period Should be Strengthened.  
Recommendations. We recommend that the AOC ensure that (1) transactions are recorded in FFS in a timely manner, with special emphasis on transactions at year-end, and (2) formal policies should be established at the parks to require someone other than the credit card holder to review monthly credit card statements and document that review.

Recommendation 1 – NPS agrees with the recommendation. At the beginning of fiscal year 2001, the problem relating to fire payments not being posted to the appropriate fiscal year was identified and corrective actions were taken to ensure fire payments were posted to the correct fiscal year. However, follow-up actions to move the expenses back to FY 2000 were not completed until the end of FY 2001. A year-end closing memorandum is issued to the AOC staff and to the parks/offices giving detailed instructions for processing documents at year-end, along with a schedule of dates that must be met to ensure data is posted to the financial records as of the year-end. NPS plans on incorporating more detailed instructions related to proper posting of UDO's and accruals at year-end into the FY 2002 closing instructions.

Recommendation 2 – NPS agrees, and is currently in the process of reviewing the Department's “Integrated Charge Card Program Guide” for implementation during fiscal year 2002.

The responsible officials for implementing these recommendations will be the Fiscal Services Team Leader and the Office of Contracting and Procurement. The planned target date for implementing changes will be as of September 30, 2002.

01.G. Disclosure of Required Supplementary Information Should be Enhanced.  
Recommendations We recommend that NPS expeditiously continue to implement its new deferred maintenance measurement system that (1) gives comprehensive condition assessments of all park assets, (2) quantification of deferred maintenance by major classes of asset categories, (3) use of a standardized measurement system for determining deferred maintenance amounts on park assets, and (4) to ensure all required supplementary stewardship information for each asset category is disclosed. We also recommend that NPS ensure that all required supplementary stewardship information for each asset category be disclosed.

Recommendation 1 and 3 - We agree with the recommendation. The Fiscal Year 2003 budget is proposing a substantial increase in funding in order to complete baseline facility condition assessments by the end of fiscal year 2003. If funding is received, this will establish a reportable baseline beginning with the FY 2004 Accountability Report.

Recommendation 2 - We concur that currently the major classes of asset categories, defined by NPS, are not used in the figure reported for deferred maintenance projects. Other than Roads and Bridges, Dams, and Employee Housing, which is reflected separately, all other asset categories were consolidated and reported as Project Management Information Systems (PMIS) projects.

Recommendation 4 - We concur and will work with the appropriate stewardship program offices to address all reporting requirements.

The responsible officials for implementing these recommendations will be the Associate Director Park Operations and Education and Chief, Park Facility Management Division.

Bcc: FNP-Administration FNP-Comptroller FNP-AOC(8)

FNP: RPlunkett:CBSheaffer:sds:021402:208.4566 (Aud01rsp)





Eroded uplands drop into the evening shadows of Grand Canyon National Park.

COREL CORP. PHOTO



#### **U.S. Department of the Interior**

The mission of the Department of the Interior is to protect and provide access to our nation's natural and cultural heritage and honor our trust responsibilities to tribes. We:

- encourage and provide for the appropriate management, preservation, and operation of the nation's public lands and natural resources for use and enjoyment both now and in the future;
- carry out related scientific research and investigations in support of these objectives;
- develop and use resources in an environmentally sound manner, and provide an equitable return on these resources to the American taxpayer; and
- carry out trust responsibilities of the U.S. Government with respect to American Indians and Alaska Natives.



#### **National Park Service**

The National Park Service is a bureau within the Department of the Interior. We preserve unimpaired the natural and cultural resources and values of the National Park System for the enjoyment, education, and inspiration of this and future generations. We also cooperate with partners to extend the benefits of natural and cultural resource conservation and outdoor recreation throughout this country and the world.



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